

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

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2014**

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

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2014**

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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *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.

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## 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 County'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 Calhoun County, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *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 – 14 and 58 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund schedules, statistical section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, statistical section, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2015, 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.

*McBregan & Co. LLP*

Orangeburg, South Carolina  
February 6, 2015

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. 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, 2014 by \$39,234,786 (net position). Of this amount, \$9,341,399 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$1,916,539 over the previous year with an increase of \$540,261 resulting from governmental activities.
- At June 30, 2014, the County's governmental fund balance sheet reported a combined ending fund balance of \$13,587,662, a decrease of \$31,800 from the previous fiscal year. Of this amount, \$7,614,917 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$7,922,862, a decrease from last fiscal year of \$479,090. Calhoun County had budgeted \$1,349,961 as carry over funds from its fund balance to cover the anticipated shortfall of revenue. The unassigned fund balance of \$6,325,838 equates to 58% 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)  
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**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 15 and 16 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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Calhoun County maintains 16 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, Grants 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 17 through 21 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 27 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 28 through 57 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 59 through 64 of this report.

**CALHOUN COUNTY  
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**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 \$39,234,786 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$1,916,539.

The largest portion of the County's net position (65%) 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 (\$9,341,399) may be used to meet the government's ongoing obligations to citizens and creditors.

**Calhoun County's Net Position**

	<b>(Dollars in Thousands)</b>	
	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 16,051	\$ 15,793
Capital assets	<u>30,261</u>	<u>27,930</u>
Total assets	<u>46,312</u>	<u>43,723</u>
Long-term liabilities outstanding	5,707	5,663
Other liabilities	<u>1,370</u>	<u>648</u>
Total liabilities	<u>7,077</u>	<u>6,311</u>
Net Position		
Invested in capital assets	25,850	23,487
Restricted	4,044	3,863
Unrestricted	<u>9,341</u>	<u>10,062</u>
Total net position	<u>\$ 39,235</u>	<u>\$ 37,412</u>

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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 position displayed below shows the governmental activities and business-type activities during the fiscal year.

**Calhoun County's Changes in Net Position**

	<b>(Dollars in Thousands)</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,430	\$ 1,827
Operating grants	444	668
Capital grants and contributions	2,989	755
General revenue:		
Taxes:		
Property taxes, levied for general purposes	9,558	9,186
Property taxes, levied for debt services	241	258
State shared revenue	717	712
Sales tax	886	838
Interest	8	14
Other	199	94
Loss on the sale of capital assets	<u>(13)</u>	<u>8</u>
Total revenues	<u>17,459</u>	<u>14,360</u>
<b>Expenses:</b>		
General government	3,439	3,169
Finance and Taxation	745	765
Public safety	2,742	2,646
Physical environment	2,821	1,879
Water system	751	663
Health and welfare	2,899	2,496
Cultural and recreational	746	762
Court related	650	673
Agencies	621	576
Interest	<u>128</u>	<u>119</u>
Total expenses	<u>15,542</u>	<u>13,748</u>
Increase in net position	<u>1,917</u>	<u>612</u>
Net position, beginning of year	<u>37,412</u>	<u>36,800</u>
Prior period adjustment	<u>(94)</u>	<u>-</u>
Net position, end of year	<u>\$ 39,235</u>	<u>\$ 37,412</u>

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Governmental Activities:** Revenues for the County's governmental activities were \$15,204,341 for fiscal year 2014. Taxes constitute the largest source of County revenues, amounting to approximately \$10,684,801 for the fiscal year 2014. Real, personal property, and vehicle taxes of \$9,799,124 represent over 91% of total taxes and 64% 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, 2014, Calhoun County governmental funds reported combined fund balances of \$13,587,662, a decrease of \$31,800 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2014, total fund balance in the General Fund was \$7,922,862, of which \$6,325,838 was unassigned and \$307,945 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 72% and 58%, respectively. The fund balance of the General Fund decreased by \$479,090 during the current fiscal year. \$327,014 of this decrease was due to an equity transfer to the Grants Fund.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$447,290 from the prior year.

**Proprietary funds:** The water/wastewater operations had an operating loss of \$26,642. The Municipal Water Department had an operating loss of \$2,588 for a total net operating loss for both the water/wastewater operations and the Municipal Water Department of \$29,230.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund on page 21. The expenditures incurred during the year were within budget limitations.

**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Capital asset and Debt Administration**

**Capital assets:** Calhoun County's investment in capital assets for its governmental activities as of June 30, 2014 amounts to \$22,143,289 (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>Activities</b>	<b>Governmental Activities</b>	<b>Business-Type</b>
Land	\$ 1,478,636	\$ 4,500
Construction in progress	953,413	1,598,246
Land improvements	738,226	-
Buildings and improvements	11,242,986	44,755
Machinery and equipment	4,014,071	59,938
Vehicles	3,058,640	-
Infrastructure	7,027,715	-
Museum collection	3,127,547	-
Water and wastewater system	<u>-</u>	<u>8,830,173</u>
 Total capital assets	 31,641,234	 10,537,612
 Less accumulated depreciation	 <u>(9,497,945)</u>	 <u>(2,419,855)</u>
 Total capital assets, net	 <u>\$ 22,143,289</u>	 <u>\$ 8,117,757</u>

Additional information on the County's capital assets can be found in Note 7 on pages 42 through 44 of this report.

**Long-term debt:** At the end of the current fiscal year, Calhoun County had a total bonded debt outstanding of \$4,411,353.

**Calhoun County's Outstanding Debt**

	<b>2014</b>
<b>(Governmental Activities)</b>	
General Obligation Bonds	<u>\$ -</u>
<b>(Business-Type Activities)</b>	
Revenue Bonds	<u>\$ 4,411,353</u>

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**Note issued**

Additional information on Calhoun County's long-term debt can be found in Note 11 on pages 49 through 51 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 2015.

Building permits had a slightly increase in 2014, 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 2014-2015 fiscal year with reserves.

The South Carolina Department of Transportation began construction on the widening of Interstate 26 this fiscal year, particularly at the section which encompasses the rest areas situated in Calhoun County. These rest areas have closed 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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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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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 three-county area. Calhoun County has a capacity subscription of 0.61 MGD. 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 the summer of 2015. 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 2014-2015 fiscal year and were considered in preparing the 2014-2015 budget. The County has a sufficient fund balance to cover expenses until tax revenue is collected.



**CALHOUN COUNTY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Other Matter – New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions (Employers)*, which is intended to improve guidance for accounting and reporting on pensions that governments provide to their employees. GASB Statement No. 68, which is effective for fiscal years beginning after June 15, 2014 will require the County to recognize a net pension liability on its statement of net position and an additional pension expense on its statement of activities for the year ending June 30, 2015.

Once adopted, the County's financial statements for the fiscal year ending June 30, 2015, will be significantly impacted as follows:

- The beginning balance of the County's net position will be restated in an amount equal to the County's proportionate share of the retirement plan's collective net pension liability to reflect this liability as of the beginning of the fiscal year (July 1, 2014). Based on preliminary estimates received from the SC Public Employee Benefit Authority (PEBA), the organization that administers the State's retirement plans, including the SC Retirement System of which the County is an active member, the County's portion of collective net pension liability as of June 30, 2014, that will be recognized and used to restate the beginning net position balance of the County as of July 1, 2014, is estimated to be \$6,773,560.
- The County will be required to recognize a pension expense based on actuarial calculations of future retirement benefits (deferred outflows of resources) as of June 30, 2014, in addition to the recognition of the annual required contribution (ARC) obligations to the cost-sharing multiple-employer SC retirement system (SCRS) plan. Based on preliminary estimates received from SC PEBA, the County's balance of deferred outflows of resources (future benefit provision) as of June 30, 2014, totals \$379,127, which is expected to be recognized as pension expense over the next four (4) fiscal years as follows: \$83,398 each year for the years ending June 30, 2015, 2016, 2017 and \$128,933 for year ending June 30, 2018.

Actual amounts that will be used by the County to adjust net position beginning balance for its proportionate share of the plan's collective net pension liability and to recognize the additional pension expense related to the balance of deferred outflows of resources over the next four (4) fiscal years will not be available until the retirement plan's stand-alone audited financial statements are complete.

Funding requirements of the pension plan obligations will not be governed by the County's funding policy. GASB Statement No. 68 reporting requirements do not impact the funding of the pension plans, only the financial accounting and reporting of the plans.

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2014**

**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, 2014**

	<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	\$ 13,055,367	\$ 535,612	\$ 13,590,979
Receivables:			
Delinquent taxes	489,330	-	489,330
Other	994,072	21,625	1,015,697
Due from fiduciary funds - Note 4	100,694	-	100,694
Current portion - notes receivable - Note 6	18,981	-	18,981
Grant receivable	511,705	51,243	562,948
Other assets	419	-	419
Total current assets	<u>15,170,568</u>	<u>608,480</u>	<u>15,779,048</u>
Restricted cash:			
Restricted cash - Note 3	-	241,091	241,091
Total restricted cash	<u>-</u>	<u>241,091</u>	<u>241,091</u>
Non-current assets:			
Non-depreciable capital assets - Note 7	5,559,596	1,602,746	7,162,342
Depreciable capital assets-net - Note 7	16,583,693	6,515,011	23,098,704
Notes receivable - Note 6	30,834	-	30,834
Total non-current assets	<u>22,174,123</u>	<u>8,117,757</u>	<u>30,291,880</u>
Total assets	<u>37,344,691</u>	<u>8,967,328</u>	<u>46,312,019</u>
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Accounts payable	1,094,331	70,791	1,165,122
Other liabilities	30,079	-	30,079
Accrued interest payable	-	6,916	6,916
Accrued compensated absences - Note 11	24,564	-	24,564
Closures and maintenance costs payable - Note 11	14,500	-	14,500
Total current liabilities	<u>1,163,474</u>	<u>77,707</u>	<u>1,241,181</u>
Liabilities (payable from restricted assets):			
Customer deposits	-	64,433	64,433
Current portion of revenue bonds payable	-	63,921	63,921
Total liabilities (payable from restricted assets):	<u>-</u>	<u>128,354</u>	<u>128,354</u>
Non-current liabilities:			
Accrued compensated absences - Note 11	330,605	-	330,605
Closures and maintenance costs payable - Note 11	337,754	-	337,754
Bond payable - Note 11	-	4,347,432	4,347,432
OPEB liability - Note 9	691,907	-	691,907
Total long-term liabilities	<u>1,360,266</u>	<u>4,347,432</u>	<u>5,707,698</u>
Total liabilities	<u>2,523,740</u>	<u>4,553,493</u>	<u>7,077,233</u>
<b>NET POSITION</b>			
Invested in capital assets	22,143,289	3,706,404	25,849,693
Restricted for:			
Capital projects	3,220,561	179,942	3,400,503
Debt service	73,379	105,461	178,840
Victim's fund	46,155	-	46,155
Local option sales tax reserve	418,196	-	418,196
Unrestricted	8,919,371	422,028	9,341,399
Total net position	<u>\$ 34,820,951</u>	<u>\$ 4,413,835</u>	<u>\$ 39,234,786</u>

See Notes to the Basic Financial Statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 3,439,327	\$ 165,142	\$ 56,275	\$ 110,583	\$ (3,107,327)	\$ -	\$ (3,107,327)
Finance and taxation	744,763	65,923	-	-	(678,840)	-	(678,840)
Public safety	2,741,944	42,592	61,106	-	(2,638,246)	-	(2,638,246)
Physical environment	2,820,951	59,633	28,609	1,063,850	(1,668,859)	-	(1,668,859)
Health and welfare	2,899,621	1,085,773	137,242	271,683	(1,404,923)	-	(1,404,923)
Culture/Recreation	745,829	8,436	94,399	10,476	(632,518)	-	(632,518)
Court related	649,756	280,613	65,937	-	(303,206)	-	(303,206)
Agencies	620,960	-	-	-	(620,960)	-	(620,960)
Interest	929	-	-	-	(929)	-	(929)
Total governmental activities	<u>\$ 14,664,080</u>	<u>\$ 1,708,112</u>	<u>\$ 443,568</u>	<u>\$ 1,456,592</u>	<u>(11,055,808)</u>	<u>-</u>	<u>(11,055,808)</u>
<b>Business-type Activities:</b>							
Water/wastewater plant	\$ 106,888	\$ 80,246	\$ -	\$ -	-	(26,642)	(26,642)
Municipal water system	644,391	641,803	-	1,532,460	-	1,529,872	1,529,872
Interest	127,238	-	-	-	-	(127,238)	(127,238)
Total business-type activities	<u>\$ 878,517</u>	<u>\$ 722,049</u>	<u>\$ -</u>	<u>\$ 1,532,460</u>	<u>-</u>	<u>1,375,992</u>	<u>1,375,992</u>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					9,558,131	-	9,558,131
Property taxes, levied for debt services					240,993	-	240,993
Sales tax					885,677	-	885,677
Franchise fees					5,519	-	5,519
State shared revenues					716,518	-	716,518
Interest earnings					8,219	286	8,505
Miscellaneous					194,367	-	194,367
Gain on sale of capital assets					(13,355)	-	(13,355)
Total general revenues and transfers					<u>11,596,069</u>	<u>286</u>	<u>11,596,355</u>
Change in net position					540,261	1,376,278	1,916,539
Net position - beginning - as restated - Note 17					<u>34,280,690</u>	<u>3,037,557</u>	<u>37,318,247</u>
Net position - ending					<u>\$ 34,820,951</u>	<u>\$ 4,413,835</u>	<u>\$ 39,234,786</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>GENERAL</b>	<b>CAPITAL PROJECTS FUND</b>	<b>GRANTS FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>					
Cash and investments	\$ 7,752,386	\$ 3,445,634	\$ 3,160	\$ 1,854,187	\$ 13,055,367
Accounts receivable					
Property taxes	433,143	10,956	-	45,231	489,330
Other	543,924	1,972	-	448,176	994,072
Due from other funds	315,883	-	327,014	96,493	739,390
Due from fiduciary funds	100,694	-	-	-	100,694
Notes receivable	49,815	-	-	-	49,815
Grant receivable	-	-	511,705	-	511,705
Other assets	419	-	-	-	419
Total assets	<u>\$ 9,196,264</u>	<u>\$ 3,458,562</u>	<u>\$ 841,879</u>	<u>\$ 2,444,087</u>	<u>\$ 15,940,792</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 387,173	227,045	\$ 342,659	\$ 137,454	\$ 1,094,331
Due to other funds	423,007	-	-	316,383	739,390
Payroll taxes and withholdings	30,079	-	-	-	30,079
Total liabilities	<u>840,259</u>	<u>227,045</u>	<u>342,659</u>	<u>453,837</u>	<u>1,863,800</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	433,143	10,956	-	45,231	489,330
Total Deferred Inflows of Resources	<u>433,143</u>	<u>10,956</u>	<u>-</u>	<u>45,231</u>	<u>489,330</u>
Fund balances:					
Nonspendable	30,834	-	-	-	30,834
Restricted	193,364	-	499,220	1,874,473	2,567,057
Assigned	1,372,826	3,220,561	-	70,546	4,663,933
Unassigned	6,325,838	-	-	-	6,325,838
Total fund balances	<u>7,922,862</u>	<u>3,220,561</u>	<u>499,220</u>	<u>1,945,019</u>	<u>13,587,662</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 9,196,264</u>	<u>\$ 3,458,562</u>	<u>\$ 841,879</u>	<u>\$ 2,444,087</u>	<u>\$ 15,940,792</u>

See Notes to the Basic Financial Statements.

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

Total fund balance - total governmental funds	\$ 13,587,662
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Delinquent taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds.	
	489,330
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
	22,143,289
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Due within a year	(39,064)
Due in more than one year	(1,360,266)
	34,820,951
Total net position - total governmental activities	\$ 34,820,951

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	GENERAL	CAPITAL PROJECTS FUND	GRANTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>					
Taxes	\$ 7,860,409	\$ 1,355,707	\$ -	\$ 570,820	\$ 9,786,936
Rent	44,516	-	-	-	44,516
Intergovernmental	880,298	-	1,190,766	440,111	2,511,175
Charges for services	1,060,698	-	-	-	1,060,698
Fines and forfeitures	108,350	-	-	-	108,350
Local sources	102,160	-	114,175	1,341,348	1,557,683
Interest	7,552	-	-	667	8,219
Miscellaneous	127,934	-	-	-	127,934
Total revenues	<u>10,191,917</u>	<u>1,355,707</u>	<u>1,304,941</u>	<u>2,352,946</u>	<u>15,205,511</u>
<b>EXPENDITURES</b>					
Current:					
Administration	519,860	18,319	4,156	85,598	627,933
Public works	918,071	-	895,929	-	1,814,000
Public buildings	540,147	-	-	-	540,147
Finance and taxation	728,724	-	-	-	728,724
Judicial	639,590	-	-	-	639,590
Public safety	2,170,629	-	8,948	360,834	2,540,411
Health and welfare	1,912,680	235,500	64,325	469,979	2,682,484
Culture and recreation	613,781	-	22,134	24,280	660,195
Miscellaneous	599,113	-	-	-	599,113
Employee fringe benefits	2,198,551	-	-	-	2,198,551
Agencies	130,349	-	-	490,611	620,960
Debt service:					
Principal	-	-	-	380,000	380,000
Interest and fiscal charges	-	-	-	929	929
Capital outlay	-	753,037	212,988	645,751	1,611,776
Total expenditures	<u>10,971,495</u>	<u>1,006,856</u>	<u>1,208,480</u>	<u>2,457,982</u>	<u>15,644,813</u>
Excess revenues over (under) expenditures before other financial sources (uses)	<u>(779,578)</u>	<u>348,851</u>	<u>96,461</u>	<u>(105,036)</u>	<u>(439,302)</u>
Other financing sources (uses)					
Sale of capital assets	27,502	-	-	-	27,502
Bond proceeds	-	-	-	380,000	380,000
Transfers in (out)	272,986	-	327,014	(600,000)	-
Total other financing sources (uses)	<u>300,488</u>	<u>-</u>	<u>327,014</u>	<u>(220,000)</u>	<u>407,502</u>
Net changes in fund balances	(479,090)	348,851	423,475	(325,036)	(31,800)
Fund balances at beginning of year, as restated - Note 17	<u>8,401,952</u>	<u>2,871,710</u>	<u>75,745</u>	<u>2,270,055</u>	<u>13,619,462</u>
Fund balances at end of year	<u>\$ 7,922,862</u>	<u>\$ 3,220,561</u>	<u>\$ 499,220</u>	<u>\$ 1,945,019</u>	<u>\$ 13,587,662</u>

See Notes to the Basic Financial Statements.

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

Net changes in fund balances - total governmental funds		\$ (31,800)
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	1,611,776	
Less current year depreciation	<u>(873,546)</u>	738,230
 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.	 (40,857)	 (40,857)
 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 position and the proceeds increase them.		
Bond proceeds	(380,000)	
Bond principal payment	<u>380,000</u>	-
 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	(83,893)	
Change in compensated absences	(54,203)	
Change in closure and maintenance costs payable	<u>596</u>	(137,500)
 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>12,188</u>
 Change in net position of governmental activities		 <u><u>\$ 540,261</u></u>

See Notes to the Basic Financial Statements.



**CALHOUN COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Property taxes:			
Current	\$ 5,200,000	\$ 5,514,960	\$ 314,960
Delinquent	260,000	359,716	99,716
Fee in lieu of taxes	1,830,000	1,985,733	155,733
Interest income	-	7,552	7,552
Other local sources	1,460,627	1,443,658	(16,969)
State sources	796,232	816,342	20,110
Federal sources	97,000	63,956	(33,044)
	<u>9,643,859</u>	<u>10,191,917</u>	<u>548,058</u>
<b>EXPENDITURES</b>			
Current	<u>11,593,820</u>	<u>10,971,495</u>	<u>622,325</u>
	<u>11,593,820</u>	<u>10,971,495</u>	<u>622,325</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,949,961)</u>	<u>(779,578)</u>	<u>1,170,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Property	-	27,502	27,502
Transfers in/ out	600,000	272,986	(327,014)
	<u>600,000</u>	<u>300,488</u>	<u>(299,512)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (1,349,961)</u>	<u>(479,090)</u>	<u>\$ 870,871</u>
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>		<u>8,401,952</u>	
<b>Fund Balances at End of Year</b>		<u>\$ 7,922,862</u>	

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 104,856	\$ 430,756	\$ 535,612
Accounts receivable	7,219	14,406	21,625
Grants receivable	-	51,243	51,243
<b>Total Current Assets</b>	<u>112,075</u>	<u>496,405</u>	<u>608,480</u>
<b>Restricted Cash</b>	<u>-</u>	<u>241,091</u>	<u>241,091</u>
<b>Property, Plant, and Equipment</b> (Net of accumulated depreciation - Note 7)	<u>530,727</u>	<u>7,587,030</u>	<u>8,117,757</u>
<b>TOTAL ASSETS</b>	<u>642,802</u>	<u>8,324,526</u>	<u>8,967,328</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014**

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Water/ Wastewater Plant</u>	<u>Municipal Water System</u>	<u>Total</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable	-	70,791	70,791
Accrued interest payable	-	6,916	6,916
<b>Total Current Liabilities</b>	<u>-</u>	<u>77,707</u>	<u>77,707</u>
<b>Current Liabilities (Payable from Restricted Assets)</b>			
Meter deposits payable	-	58,733	58,733
Tap fees	-	5,700	5,700
Current portion of revenue bonds payable - Note 10	-	63,921	63,921
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<u>-</u>	<u>128,354</u>	<u>128,354</u>
<b>Noncurrent Liabilities</b>			
Revenue bonds payable - Note 10	-	4,347,432	4,347,432
<b>Total Liabilities</b>	<u>-</u>	<u>4,553,493</u>	<u>4,553,493</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	530,727	3,175,677	3,706,404
Restricted for:			
Expendable:			
Construction	-	179,942	179,942
Debt retirement	-	105,461	105,461
Unrestricted	112,075	309,953	422,028
<b>Total Net Position</b>	<u>\$ 642,802</u>	<u>\$ 3,771,033</u>	<u>\$ 4,413,835</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, 2014**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Water/wastewater revenue	\$ 80,246	\$ 616,496	\$ 696,742
Tap fees	-	25,307	25,307
<b>Total Operating Revenues</b>	<u>80,246</u>	<u>641,803</u>	<u>722,049</u>
<b>Operating Expenses:</b>			
Operating and maintenance	85,900	435,066	520,966
Depreciation expense	20,988	209,325	230,313
<b>Total Operating Expenses</b>	<u>106,888</u>	<u>644,391</u>	<u>751,279</u>
<b>Operating Income (Loss)</b>	<u>(26,642)</u>	<u>(2,588)</u>	<u>(29,230)</u>
<b>Non-Operating Income (Expense):</b>			
Interest expense	-	(127,238)	(127,238)
Interest income	58	228	286
<b>Net Non-Operating Income (Expense)</b>	<u>58</u>	<u>(127,010)</u>	<u>(126,952)</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(26,584)</u>	<u>(129,598)</u>	<u>(156,182)</u>
<b>Capital contributions</b>	<u>-</u>	<u>1,532,460</u>	<u>1,532,460</u>
<b>Change in net position</b>	<u>(26,584)</u>	<u>1,402,862</u>	<u>1,376,278</u>
<b>Net Position - Beginning of Year - Restated - Note 17</b>	<u>669,386</u>	<u>2,368,171</u>	<u>3,037,557</u>
<b>Net Position - End of Year</b>	<u>\$ 642,802</u>	<u>\$ 3,771,033</u>	<u>\$ 4,413,835</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 73,027	\$ 644,752	\$ 717,779
Cash received from intercompany transactions	16,600	(4,820)	11,780
Cash paid to suppliers for goods and services	(88,354)	(267,554)	(355,908)
Cash paid to employees for services	-	(144,138)	(144,138)
<b>Net Cash Provided by (Used For) Operating Activities</b>	<u>1,273</u>	<u>228,240</u>	<u>229,513</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital contributions	-	1,481,217	1,481,217
Principal paid on bonds	-	(55,559)	(55,559)
Interest paid on bonds	-	(141,435)	(141,435)
Purchase of capital assets	-	(1,881,792)	(1,881,792)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>-</u>	<u>(597,569)</u>	<u>(597,569)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest income	58	228	286
<b>Net Provided by (Used For) Investing Activities</b>	<u>58</u>	<u>228</u>	<u>286</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,331	(369,101)	(367,770)
Cash and Cash Equivalents at Beginning of Year	<u>103,525</u>	<u>1,040,948</u>	<u>1,144,473</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 104,856</u>	<u>\$ 671,847</u>	<u>\$ 776,703</u>
Classified as:			
Current Assets	\$ 104,856	\$ 430,756	\$ 535,612
Restricted Assets	-	241,091	241,091
<b>Totals</b>	<u>\$ 104,856</u>	<u>\$ 671,847</u>	<u>\$ 776,703</u>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total</b>
<b>Reconciliation of Net Operating Income (Loss)</b>			
<b>Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (26,642)	\$ (2,588)	\$ (29,230)
Adjustments to reconcile operating income by operating activities:			
Depreciation and amortization expense	20,988	209,325	230,313
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(7,219)	(3,413)	(10,632)
(Increase) decrease in due from General Fund	-	11,780	11,780
(Increase) decrease in due from Water System	16,600	-	16,600
Increase (decrease) in accounts payable	(2,454)	23,374	20,920
Increase (decrease) in due to Wastewater	-	(16,600)	(16,600)
Increase (decrease) in deposits payable	-	6,362	6,362
Total Adjustments	27,915	230,828	258,743
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 1,273</b>	<b>\$ 228,240</b>	<b>\$ 229,513</b>

See Notes to the Basic Financial Statements.

**CALHOUN COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2014**

**ASSETS**

Cash	\$ 5,794,629
Property taxes receivable	766,529
Due from others	<u>504</u>
 Total Assets	 <u><u>\$ 6,561,662</u></u>

**LIABILITIES**

Due to trust fund holders	\$ 6,448,533
Outstanding bonds	7,270
Held for jurors	225
Due to Treasurer - overage - Note 10	4,940
Due to other funds	<u>100,694</u>
 Total Liabilities	 <u><u>\$ 6,561,662</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 \$132,500 of funds to the Council on Aging during 2013-14. 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.

**Other Component Units**

**Sandy Run Fire District**

Sandy Run Fire District was organized to provide fire protection for the Sandy Run Community of Calhoun County. It has a separate board appointed by Calhoun County Council. The District's net assets are not significant to the County and therefore, it is not included as a component unit in this report.

**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.

**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)

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

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

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

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

**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.

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

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

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

**2. Fund Financial Statements** (continued)

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

**Governmental Funds**

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

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

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.

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

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

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

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

The County reports the following major enterprise funds:

**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.

**Grants Fund** – The Grants Fund accounts for most of the grants received by the County.

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

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

**C. Basis of Presentation** (continued)

**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.

**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 eight agency fund types as follows:

Agency Funds include funds held for individuals by the County Clerk of Court, Judge of Probate, 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 Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category in the current year.

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

**5. Accrued Compensated Absences**

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

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

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

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

**6. Landfill Closure Costs**

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

**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.



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

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

**8. Net Position/Fund Equity**

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, 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 \$39,234,786 of which \$464,351 is restricted by enabling legislation. Restricted resources are used first to fund appropriations.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. This transfer cannot exceed \$10,000 or 10% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Revenue Funds (Accommodation Tax Fund and the Fire Department), and Capital Projects Funds.
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 \$19,619,429 and the bank balance was \$19,861,633. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 19,619,429
Cash on hand	<u>7,270</u>
 Total	 <u><u>\$ 19,626,699</u></u>
 Cash – Governmental Activities	 \$ 13,055,367
Business Type Activities	776,703
Fiduciary Activities	<u>5,794,629</u>
	 <u><u>\$ 19,626,699</u></u>
 Deposits	 \$ 13,678,182
Investments	<u>5,941,247</u>
	 <u><u>\$ 19,619,429</u></u>

Of the bank balance of \$15,062,967, excluding the investment pool funds, \$1,327,465 is secured by FDIC insurance and \$13,735,502 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	\$ 176,298
Meter deposits	<u>64,793</u>
	 <u><u>\$ 241,091</u></u>

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

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

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

**Investment Policies**

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

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

	<b>Fair Book Value</b>	<b>Investment Maturities</b>		
		<b>Less than 6 months</b>	<b>6 Months to 1 year</b>	<b>1-5 Years</b>
Certificates of Deposit	\$ 1,142,581	\$ -	\$ 1,142,581	\$ -
SC Investment Pool	<u>4,798,666</u>	<u>4,798,666</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,941,247</u>	<u>\$ 4,798,666</u>	<u>\$ 1,142,581</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, 2014, follows:

<b>Fund</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 416,577	\$ 423,007
Special Revenue Fund:		
Banks Estate Fund	70,018	-
E-911	-	16,383
Library Lottery	889	-
Local Option Fund		300,000
Victim's Advocate	25,586	-
Grant Fund	327,014	-
Trust and Agency Funds:		
Magistrates	-	24,123
Judge of Probate	-	4,881
Delinquent Tax	-	71,690
	<u>\$ 840,084</u>	<u>\$ 840,084</u>
 <b>Operating Transfers</b>	 <b>Transfer In</b>	 <b>Transfer Out</b>
General Fund	\$ 600,000	\$ 327,014
Grant Fund	327,014	-
Special Revenue Fund:		
Local Option Fund	-	600,000
	<u>\$ 927,014</u>	<u>\$ 927,014</u>

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

**NOTE 4 - INTERFUND BALANCES** (continued)

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. During 2013-14, a \$317,487 equity transfer was made from the General Fund to the Grants Fund for the RDA Fund balance and a \$9,527 equity transfer was made from the General Fund to the Grants Fund for the Veteran's Memorial Fund balance.

**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, 2014, \$49,815 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 \$50,000 note, payable in five annual installments of \$10,917.73 with interest at 3%. First payment due April 1, 2013.	\$ 30,882
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.	<u>18,933</u>
Total Notes Receivable	49,815
Current Portion	<u>18,981</u>
Long-Term Notes Receivable	<u>\$ 30,834</u>

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Restate- ment	Additions	Deletions	Balance June 30, 2014
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,478,636	\$ -	\$ -	\$ -	\$ 1,478,636
Construction in Progress	150,365	(7,500)	810,548	-	953,413
Museum collection	<u>3,127,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,127,547</u>
Total capital assets not being depreciated	<u>4,756,548</u>	<u>(7,500)</u>	<u>810,548</u>	<u>-</u>	<u>5,559,596</u>
Capital assets, being depreciated:					
Building and improvements	11,198,252	-	44,734	-	11,242,986
Infrastructure	6,831,039	-	196,676	-	7,027,715
Land improvements	738,226	-	-	-	738,226
Vehicles	2,762,071	7,500	537,408	248,339	3,058,640
Equipment, furniture and fixtures	<u>3,991,661</u>	<u>-</u>	<u>22,410</u>	<u>-</u>	<u>4,014,071</u>
Total capital assets being depreciated	<u>25,521,249</u>	<u>7,500</u>	<u>801,228</u>	<u>248,339</u>	<u>26,081,638</u>

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

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

	Balance June 30, 2013	Restate- ment	Additions	Deletions	Balance June 30, 2014
Less accumulated depreciation for:					
Building and improvements	2,228,564	(247)	250,412	-	2,478,729
Land improvements	108,429	-	24,651	-	133,080
Infrastructure	1,944,363	(2,937)	98,545	-	2,039,971
Vehicles	1,721,528	-	296,581	207,482	1,810,627
Equipment, furniture and fixtures	<u>2,832,181</u>	<u>-</u>	<u>203,357</u>	<u>-</u>	<u>3,035,538</u>
Total accumulated depreciation	<u>8,835,065</u>	<u>(3,184)</u>	<u>873,546</u>	<u>207,482</u>	<u>9,497,945</u>
Total capital assets, being depreciated, net	<u>16,686,184</u>	<u>10,684</u>	<u>(72,318)</u>	<u>40,857</u>	<u>16,583,693</u>
Governmental activities capital assets	<u>\$ 21,442,732</u>	<u>\$ 3,184</u>	<u>\$ 738,230</u>	<u>\$ 40,857</u>	<u>\$ 22,143,289</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Construction in Progress	<u>38,290</u>	<u>(20,720)</u>	<u>1,580,676</u>	<u>-</u>	<u>1,598,246</u>
Total capital assets not being depreciated	<u>42,790</u>	<u>(20,720)</u>	<u>1,580,676</u>	<u>-</u>	<u>1,602,746</u>
Capital assets, being depreciated:					
Water System	8,471,821	-	301,116	-	8,772,937
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>8,633,750</u>	<u>-</u>	<u>301,116</u>	<u>-</u>	<u>8,934,866</u>
Less accumulated Depreciation	<u>2,189,536</u>	<u>6</u>	<u>230,313</u>	<u>-</u>	<u>2,419,855</u>
Total capital assets, being depreciated, net	<u>6,444,214</u>	<u>(6)</u>	<u>70,803</u>	<u>-</u>	<u>6,515,011</u>
Business-type activities capital assets, net	<u>\$ 6,487,004</u>	<u>\$ (20,726)</u>	<u>\$ 1,651,479</u>	<u>\$ -</u>	<u>\$ 8,117,757</u>

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.

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

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

The following is a summary of the proprietary fund capital assets at June 30, 2014:

	<b>Water/ Wastewater Plant</b>	<b>Municipal Water System</b>	<b>Total Proprietary Funds</b>
Land	\$ -	\$ 4,500	\$ 4,500
Construction in progress	-	1,598,246	1,598,246
Water system	782,268	7,990,661	8,772,929
Wastewater system	57,236	-	57,236
Vehicles	-	59,939	59,939
Furniture, fixtures, and software	-	44,756	44,756
Less, accumulated depreciation	<u>(308,777)</u>	<u>(2,111,072)</u>	<u>(2,419,849)</u>
 Net Property, Plant and Equipment	 <u>\$ 530,727</u>	 <u>\$ 7,587,030</u>	 <u>\$ 8,117,757</u>

The depreciation and amortization expense for the Water/Wastewater Plant and the Water System was \$230,313 for the year ended June 30, 2014.

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

Administration	\$ 80,237
Public Safety	151,449
Physical Environment	442,080
Health and Welfare	132,935
Cultural and Recreation	<u>66,845</u>

Total depreciation expense-governmental activities	<u>\$ 873,546</u>
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**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 2013-2014 are as follows:

<b>SCRS Class II</b>	7.5% of earnable compensation
<b>SCRS Class III</b>	7.5% of earnable compensation
<b>PORS Class I</b>	\$21 per month
<b>PORS Class II</b>	7.84% of earnable compensation
<b>PORS Class III</b>	7.84% of earnable compensation

Required employer contributions for fiscal year 2013-2014 are as follows:

**SCRS**

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

**PORS**

Class I	7.80% of earnable compensation
Class II	12.44% of earnable compensation
Class III	12.44% 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 2013-2014 at the website referenced above.

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

	<b>2012</b>		<b>2013</b>		<b>2014</b>	
	<b>SCRS</b>	<b>PORS</b>	<b>SCRS</b>	<b>PORS</b>	<b>SCRS</b>	<b>PORS</b>
Employee						
contributions	\$ 212,584	\$ 65,692	\$ 242,224	\$ 79,442	\$ 268,631	\$ 95,491
Employer						
contributions	\$ 306,939	\$ 114,839	\$ 361,603	\$ 135,052	\$ 374,501	\$ 151,519

The County's 2013 – 2014 contributions represented less than one percent of total contributions required of all participating entities. Also, employer group-life contributions of \$10,245 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 2014 is as follows:

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

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

Annual required contribution	\$ 180,664
Interest on net OPEB obligation	27,361
Adjustment to annual required contribution	<u>(35,720)</u>
Annual OPEB cost (expense)	172,305
Estimated contributions made	<u>(88,412)</u>
Increase (decrease) in net OPEB obligation	83,893
Net OPEB obligation, beginning of year	<u>608,014</u>
Net OPEB obligation, end of year	<u>\$ 691,907</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, 2014 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 83,893	\$ 88,412	100%	\$ 691,907
June 30, 2013	\$ 152,443	\$ 81,526	53%	\$ 608,014
June 30, 2012	\$ 225,082	\$ 49,779	22%	\$ 455,571

**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, 2014, 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, 2014, the covered payroll (annual payroll of active employees covered by the plan) was \$4,799,826, and the ratio of the UAAL to the covered payroll was 43%.

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, 2014, excess funds were on deposit in the checking accounts of several trust and agency funds. These overages, totaling \$4,940, 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:

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2014</b>	<b>Due Within One Year</b>
Accrued Compensated Absences	\$ 300,966	\$ 54,203	\$ -	\$ 355,169	\$ 24,564
Closure and Maintenance Costs	352,850	13,904	14,500	352,254	14,500
General Obligation Bond Series 2013	-	<u>380,000</u>	<u>380,000</u>	-	-
Total long-term debt	<u>\$ 653,816</u>	<u>\$ 448,107</u>	<u>\$ 394,500</u>	<u>\$ 707,423</u>	<u>\$ 39,064</u>

**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, 2013	\$ 1,753,912
Issued during the period	2,713,000
Retired during the period	<u>55,559</u>
Balance at June 30, 2014	<u>\$ 4,411,353</u>

Details of long-term debt at June 30, 2014 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%	\$ 190,909
\$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.	1,538,873
\$2,713,000 Water and Sewer System Revenue Bond, issued in August, 2013, payable over 40 years, interest at 2.75%, first payment due September 1, 2013 with monthly payments of \$9,333, through August 1, 2053.	<u>2,681,571</u>
	4,411,353
Less current portion	<u>(63,921)</u>
Long-term portion	<u>\$ 4,347,432</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, 2014, including bond interest payments of \$3,296,480 are as follows:

Year Ending June 30,	Principal	Revenue Bonds Interest	Total
2015	\$ 63,921	\$ 151,818	\$ 215,739
2016	66,230	149,541	215,771
2017	68,595	147,176	215,771
2018	71,050	144,721	215,771
2019	73,600	142,171	215,771
2020-2024	409,833	669,020	1,078,853
2025-2029	490,196	588,658	1,078,854
2030-2034	575,640	492,379	1,068,019
2035-2039	613,864	386,870	1,000,734
2040-2044	731,397	269,337	1,000,734
2045-2049	808,770	128,569	937,339
2050-2051	<u>438,257</u>	<u>26,220</u>	<u>464,477</u>
	<u>\$ 4,411,353</u>	<u>\$ 3,296,480</u>	<u>\$ 7,707,833</u>

**NOTE 12 - OPERATING LEASE**

The County entered into an operating lease with the US Department of Agriculture to lease the Agriculture Building built by the County to the US Department of Agriculture. The lease will expire December 2018. The current annual rent is \$34,200. The cost of the building is \$565,318 with accumulated depreciation of \$117,775.

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

June 30, 2015	\$ 34,200
June 30, 2016	34,200
June 30, 2017	34,200
June 30, 2018	34,200
June 30, 2019	<u>17,100</u>
	<u>\$ 153,900</u>

**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 \$145,000 as of June 30, 2014, which is based on the following estimated percentages:

Municipal landfill (MSWLF)	100%
Construction and debris landfill (C&D)	95%

The estimated remaining useful life of the C&D landfill is 4 years. The estimated costs of landfill closure and postclosure care costs for twenty years increased by \$13,904 in the current year and the balance of the liability for the C&D landfill is \$207,254 at June 30, 2014. In addition, \$17,527 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, 2014. 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, 2014, 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, 2014, 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 POSITION**

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, 2014 were classified as follows:

Description	General Fund	Capital Projects	Grants Fund	Other Govern- mental Funds	Total Govern- mental Funds
<b>Nonspendable:</b>					
Long-term notes receivable	\$ 30,834	\$ -	\$ -	\$ -	\$ 30,834
<b>Restricted:</b>					
LOST Reserve	-	-	-	126,075	126,075
Grants	-	-	61,524	-	61,524
Debt Service	-	-	-	73,379	73,379
Victim's Fund	-	-	-	46,155	46,155
Library Lottery	-	-	-	889	889
E-911 Funds	-	-	-	422,639	422,639
Tech/Gressette	-	-	-	115,094	115,094
Sandy Run Fire Department	-	-	-	219,558	219,558
Council on Aging	-	-	-	383,893	383,893
Sheriff Department Drug Funds	-	-	-	4,239	4,239
Child Support Funds	193,364	-	-	64,356	257,720
Local Option Distribution Fund	-	-	-	418,196	418,196
RDA Funds	-	-	428,071	-	428,071
Veterans Memorial Funds	-	-	9,625	-	9,625
<b>Assigned:</b>					
Banks Estate Fund	-	-	-	70,546	70,546
Capital Projects	-	3,220,561	-	-	3,220,561
Ft. Motte Community Center	516	-	-	-	516
Museum Funds	75,475	-	-	-	75,475
EMS Donations	4,054	-	-	-	4,054
Credit card escrow	795	-	-	-	795
Library donations	487	-	-	-	487
Animal control donations	2,420	-	-	-	2,420
Budget shortfall-2014-15	1,289,079	-	-	-	1,289,079
<b>Unassigned</b>	<u>6,325,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,325,838</u>
<b>Total fund balances</b>	<u>\$ 7,922,862</u>	<u>\$ 3,220,561</u>	<u>\$ 499,220</u>	<u>\$ 1,945,019</u>	<u>\$ 13,587,662</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, 2013 were restated as follows:

	<b>Total Net Governmental Activities</b>
Balance, June 30, 2013	\$ 34,353,741
From adjustments below	(76,235)
To adjust accumulated depreciation	<u>3,184</u>
 Balance restated at June 30, 2013	 <u><b>\$ 34,280,690</b></u>

	<b>General Fund</b>	<b>Capital Projects</b>	<b>Grants Fund</b>	<b>Other Governmental Funds</b>
Balance, June 30, 2013	\$ 8,435,636	\$ 2,873,594	\$ 68,311	\$ 2,318,156
Add cash account	-	-	-	1,899
Prior disbursement not accrued	(5,446)	-	-	(50,000)
PARD Grant	-	-	5,550	-
Adjust accounts receivable	(28,238)	-	-	-
Adjust between funds	<u>-</u>	<u>(1,884)</u>	<u>1,884</u>	<u>-</u>
Balance restated at June 30, 2013	<u><b>\$ 8,401,952</b></u>	<u><b>\$ 2,871,710</b></u>	<u><b>\$ 75,745</b></u>	<u><b>\$ 2,270,055</b></u>

**Proprietary Fund – Net Position**

	<b>Water System</b>
Balance at June 30, 2013	\$ 3,058,277
To restate loan costs	<u>(20,720)</u>
 Balance restated at June 30, 2013	 <u><b>\$ 3,037,557</b></u>

**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.

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

**NOTE 19 - NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 *Accounting and Financial Reporting for Pensions (Employers) – an amendment of GASB Statement No. 27*, to improve guidance for accounting and reporting on pensions that governments provide to their employees. GASB believes it is important to give users of the financial statements of cost-sharing employers access to better, more transparent financial information. Consequently, under the new standard, the GASB is requiring that cost-sharing governments report a net liability, pension expense and pension-related deferred inflows and outflows of resources based on the government's proportionate share of the collective amounts for all the governments participating in the plan. Issued June 2012, this statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. GASB Statement No. 68 will be effective for the County, fiscal year ending June 30, 2015. This statement relates to accounting and financial reporting and does not apply to how governments approach the funding of their pension plans. At present, there is a close connection between the ways many governments fund pensions and how they account for and report information about them in financial reports. This statement separates how the accounting and financial reporting is determined from how pensions are funded.

Key changes when GASB Statement No., 68 is adopted by participating governments will include:

- Separating how the accounting and financial reporting is determined from how pensions are funded.
- Employers with defined benefit pension plans will recognize a net pension liability, as defined by the standard, in their government-wide, proprietary and fiduciary fund financial statements.
- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20 year AA/Aa or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.
- Requiring more extensive note disclosures and required supplementary information.

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

**NOTE 19 - NEW PRONOUNCEMENTS** (continued)

- Requires a restatement of beginning net position balance equal to the government's proportionate share of the plan's collective net pension liability to reflect this liability as of the beginning of the year.
- The recognition of pension expense based on actuarial calculations in addition to the recognition of the annual required contribution (ARC) obligations to the State's cost-sharing multiple-employer retirement plan.

Once GASB Statement No. 68 is adopted during the year ending June 30, 2015, management expects the financial impact of recognizing the net pension liability on the government's statement of net position will be significant. The government's actual proportionate share of the collective net pension liability that will be used to adjust beginning net position by the recognition of this liability will not be available until the plan's stand-alone audited financial statements are complete.

**NOTE 20 - SUBSEQUENT EVENTS**

A project is underway for the extension of the County's water system. The project involves the installation of water distribution lines in the southern portion of Calhoun County (Phase 2), which has been 98% completed as of June 30, 2014. The Rural Development proposed funding is not to exceed \$2,713,000, ARRA loan and \$1,611,500 regular grant funds. Total cost for completed Phase 1 was \$1,385,955.89. Phases 2 and 3 of the project, which include water line extensions and an elevated tank, have been awarded and projects are underway. The contract amount for the water line extension (Phase 2) was \$723,812.20, and the contract amount for Phase 3 (elevated water tank) is \$882,792.00. The projects are expected to be complete in the spring of 2015.

A project is underway and an agreement in place dated December 18, 2013 between the City of Cayce and Calhoun County to provide to Calhoun County 150,000 GPD of sewer capacity at a contractual amount of \$779,767. Calhoun County paid a deposit of \$235,500 and an additional payment of \$544,267 is due on or before the date the sewer line enters into service. The contract for construction has been awarded for an additional \$629,302.50, and the project is expected to be complete by the summer of 2015. The sources of funding for this project are \$313,800 from SCDOT, \$428,070 from Tri-County Electric Cooperative funds, and the balance from the County's Capital Improvement Fund.

A water tank is being erected in the Ft. Motte area, and funding from this project will come from a \$500,000 CDBG grant, a \$282,000 Rural Infrastructure grant, and capital funds. The project is expected to cost \$929,750. Land acquisition is underway and the project is expected to be completed by December, 2015.

On August 28, 2014, Calhoun County sold general obligation bonds in the amount of \$300,000 at .50% interest per annum, principal and interest to be paid in full on March 5, 2015. 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, 2014**

		(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%	\$ 4,799,826	43.50%

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  
 YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE				
	Arts Commission	O-C Tec and L M Gressette Center	Library Lottery	Sheriff's Department	Sandy Run Fire Department
<b>ASSETS</b>					
Cash	\$ -	\$ 150,485	\$ -	\$ 4,239	\$ 219,191
Delinquent property taxes	-	21,759	-	-	1,437
Due from other funds	-	-	889	-	-
Accounts Receivable	-	3,110	-	-	367
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 175,354</b>	<b>\$ 889</b>	<b>\$ 4,239</b>	<b>\$ 220,995</b>
<b>LIABILITES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 38,501	\$ -	\$ -	\$ -
Due to General Fund	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>38,501</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	-	21,759	-	-	1,437
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>21,759</b>	<b>-</b>	<b>-</b>	<b>1,437</b>
<b>Fund Balances</b>					
Restricted	-	115,094	889	4,239	219,558
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>115,094</b>	<b>889</b>	<b>4,239</b>	<b>219,558</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 175,354</b>	<b>\$ 889</b>	<b>\$ 4,239</b>	<b>\$ 220,995</b>

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

	SPECIAL REVENUE				
	Victims Advocate	E-911	Local Option Fund	Council on Aging	Banks Estate Fund
<b>ASSETS</b>					
Cash	\$ 20,569	\$ 424,439	\$ 139,759	\$ 378,911	\$ -
Delinquent property taxes	-	-	-	-	-
Due from other funds	25,586	-	-	-	70,018
Accounts Receivable	-	21,360	286,316	14,333	528
<b>TOTAL ASSETS</b>	<u>\$ 46,155</u>	<u>\$ 445,799</u>	<u>\$ 426,075</u>	<u>\$ 393,244</u>	<u>\$ 70,546</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 6,777	\$ -	\$ 9,351	\$ -
Due to General Fund	-	16,383	300,000	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>23,160</u>	<u>300,000</u>	<u>9,351</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	46,155	422,639	126,075	383,893	-
Assigned	-	-	-	-	70,546
<b>Total Fund Balances</b>	<u>46,155</u>	<u>422,639</u>	<u>126,075</u>	<u>383,893</u>	<u>70,546</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 46,155</u>	<u>\$ 445,799</u>	<u>\$ 426,075</u>	<u>\$ 393,244</u>	<u>\$ 70,546</u>



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

	<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>	<u>TOTAL</u>
	Local Option Sales Tax Distribution	Child Support Fund		Non-Major Governmental Funds
<b>ASSETS</b>				
Cash	\$ 382,439	\$ 63,940	\$ 70,215	\$ 1,854,187
Delinquent property taxes	-	-	22,035	45,231
Due from other funds	-	-	-	96,493
Accounts Receivable	118,582	416	3,164	448,176
<b>TOTAL ASSETS</b>	<u>\$ 501,021</u>	<u>\$ 64,356</u>	<u>\$ 95,414</u>	<u>\$ 2,444,087</u>
<b>LIABILITES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 82,825	\$ -	\$ -	\$ 137,454
Due to General Fund	-	-	-	316,383
<b>Total Liabilities</b>	<u>82,825</u>	<u>-</u>	<u>-</u>	<u>453,837</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Property Taxes	-	-	22,035	45,231
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>22,035</u>	<u>45,231</u>
<b>Fund Balances</b>				
Restricted	418,196	64,356	73,379	1,874,473
Assigned	-	-	-	70,546
<b>Total Fund Balances</b>	<u>418,196</u>	<u>64,356</u>	<u>73,379</u>	<u>1,945,019</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 501,021</u>	<u>\$ 64,356</u>	<u>\$ 95,414</u>	<u>\$ 2,444,087</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE				
	Arts Commission	O-C Tec and L. M. Gressette Center	Library Lottery	Sheriff's Department	Sandy Run Fire Department
<b>REVENUES</b>					
Property taxes:					
Current	\$ -	\$ 233,355	\$ -	\$ -	\$ 81,509
Delinquent	-	12,741	-	-	2,222
Interest income	-	74	-	-	61
Local sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	6,009	-	-	-	-
<b>Total Revenues</b>	<u>6,009</u>	<u>246,170</u>	<u>-</u>	<u>-</u>	<u>83,792</u>
<b>EXPENDITURES</b>					
Administrative	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	6,009	-	-	-	-
Capital improvements	-	-	-	-	-
Agencies	-	411,957	-	-	78,654
Debt Service	-	-	-	-	-
<b>Total Expenditures</b>	<u>6,009</u>	<u>411,957</u>	<u>-</u>	<u>-</u>	<u>78,654</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(165,787)</u>	<u>-</u>	<u>-</u>	<u>5,138</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds					
Transfer in / (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(165,787)</u>	<u>-</u>	<u>-</u>	<u>5,138</u>
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>	<u>-</u>	<u>280,881</u>	<u>889</u>	<u>4,239</u>	<u>214,420</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ 115,094</u>	<u>\$ 889</u>	<u>\$ 4,239</u>	<u>\$ 219,558</u>

**CALHOUN COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b>SPECIAL REVENUE</b>				
	<b>Victims Advocate</b>	<b>E-911</b>	<b>Local Option Fund</b>	<b>Council on Aging</b>	<b>Banks Estate Fund</b>
<b>REVENUES</b>					
Property taxes:					
Current	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-	-
Interest income	-	466	30	-	-
Local sources	25,586	82,865	612,861	305,004	42,216
State sources	-	346,483	-	-	-
Federal sources	-	-	-	23,263	-
<b>Total Revenues</b>	<b>25,586</b>	<b>429,814</b>	<b>612,891</b>	<b>328,267</b>	<b>42,216</b>
<b>EXPENDITURES</b>					
Administrative	-	-	-	-	-
Public safety	33,753	-	-	-	-
Health and welfare	-	174,922	-	295,057	-
Culture and recreation	-	-	-	-	18,271
Capital improvements	-	303,898	-	-	-
Agencies	-	-	-	-	-
Debt Service	-	-	-	-	-
<b>Total Expenditures</b>	<b>33,753</b>	<b>478,820</b>	<b>-</b>	<b>295,057</b>	<b>18,271</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,167)</b>	<b>(49,006)</b>	<b>612,891</b>	<b>33,210</b>	<b>23,945</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Transfer in / (out)	-	-	(600,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(600,000)</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>(8,167)</b>	<b>(49,006)</b>	<b>12,891</b>	<b>33,210</b>	<b>23,945</b>
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>	<b>54,322</b>	<b>471,645</b>	<b>113,184</b>	<b>350,683</b>	<b>46,601</b>
<b>Fund Balances at End of Year</b>	<b>\$ 46,155</b>	<b>\$ 422,639</b>	<b>\$ 126,075</b>	<b>\$ 383,893</b>	<b>\$ 70,546</b>

**CALHOUN COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE		DEBT SERVICES	TOTAL
	Local Option Sales Tax Distribution	Child Support Fund		Non-Major Governmental Funds
<b>REVENUES</b>				
Property taxes:				
Current	\$ -	\$ -	\$ 228,103	\$ 542,967
Delinquent	-	-	12,890	27,853
Interest income	36	-	-	667
Local sources	272,816	-	-	1,341,348
State sources	-	-	-	346,483
Federal sources	-	64,356	-	93,628
<b>Total Revenues</b>	<u>272,852</u>	<u>64,356</u>	<u>240,993</u>	<u>2,352,946</u>
<b>EXPENDITURES</b>				
Administrative	-	-	85,598	85,598
Public safety	327,081	-	-	360,834
Health and welfare	-	-	-	469,979
Culture and recreation	-	-	-	24,280
Capital improvements	-	-	341,853	645,751
Agencies	-	-	-	490,611
Debt Service	-	-	380,929	380,929
<b>Total Expenditures</b>	<u>327,081</u>	<u>-</u>	<u>808,380</u>	<u>2,457,982</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(54,229)</u>	<u>64,356</u>	<u>(567,387)</u>	<u>(105,036)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	380,000	380,000
Transfer in(out)	-	-	-	(600,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>380,000</u>	<u>(220,000)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>(54,229)</u>	<u>64,356</u>	<u>(187,387)</u>	<u>(325,036)</u>
<b>Fund Balances at Beginning of Year, As Restated, Note 17</b>	<u>472,425</u>	<u>-</u>	<u>260,766</u>	<u>2,270,055</u>
<b>Fund Balances at End of Year</b>	<u>\$ 418,196</u>	<u>\$ 64,356</u>	<u>\$ 73,379</u>	<u>\$ 1,945,019</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable)</b>
<b>REVENUES</b>				
<b>Local Sources</b>				
Taxes:				
Current	\$ 5,200,000	\$ 5,200,000	\$ 5,514,960	\$ 314,960
Delinquent	260,000	260,000	359,716	99,716
Fee in lieu of taxes - County	1,830,000	1,830,000	1,985,733	155,733
<b>Total Property Taxes</b>	<b>7,290,000</b>	<b>7,290,000</b>	<b>7,860,409</b>	<b>570,409</b>
Interest income	-	-	7,552	7,552
<b>Total Interest Income</b>	<b>-</b>	<b>-</b>	<b>7,552</b>	<b>7,552</b>
<b>Other Local Sources</b>				
Court income, fines and penalties	360,000	360,000	108,350	(251,650)
Fees of offices	325,000	325,000	413,867	88,867
EMS Service	550,000	550,000	646,831	96,831
Rent	38,400	38,400	44,516	6,116
Calhoun County Public Schools	62,227	62,227	62,229	2
Donations	25,000	25,000	39,931	14,931
Miscellaneous	100,000	100,000	127,934	27,934
<b>Total Other Local Sources</b>	<b>1,460,627</b>	<b>1,460,627</b>	<b>1,443,658</b>	<b>(16,969)</b>
<b>Total Local Sources</b>	<b>8,750,627</b>	<b>8,750,627</b>	<b>9,311,619</b>	<b>560,992</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>State Sources</b>				
Aid to Subdivisions	573,332	573,332	560,557	(12,775)
Accommodations Tax	130,000	130,000	155,961	25,961
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	2,808	(1,292)
State Aid - Library	75,000	75,000	75,000	-
Veteran Affairs officer	4,500	4,500	4,467	(33)
Election Commission	-	-	11,249	11,249
Solid Waste Tire Fee	3,000	3,000	-	(3,000)
<b>Total State Sources</b>	<b>796,232</b>	<b>796,232</b>	<b>816,342</b>	<b>20,110</b>
<b>Federal Sources</b>				
Emergency Management Performance	9,000	9,000	-	(9,000)
Child Support Cost - Clerk of Court	50,000	50,000	-	(50,000)
Child Support Cost - Sheriff	8,000	8,000	-	(8,000)
DSS - In Lieu of rent	30,000	30,000	51,265	21,265
DSS - Filing fees	-	-	12,691	12,691
<b>Total Federal Sources</b>	<b>97,000</b>	<b>97,000</b>	<b>63,956</b>	<b>(33,044)</b>
<b>TOTAL REVENUES</b>	<b>9,643,859</b>	<b>9,643,859</b>	<b>10,191,917</b>	<b>548,058</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>EXPENDITURES</b>				
Administration	631,577	631,577	519,860	111,717
Public works	996,852	985,109	918,071	67,038
Public buildings	487,162	530,387	540,147	(9,760)
Finance and taxation	765,822	765,821	728,724	37,097
Judicial	687,834	685,483	639,590	45,893
Public safety	2,278,706	2,276,706	2,170,629	106,077
Health and welfare	1,989,849	1,982,348	1,912,680	69,668
Culture and recreation	598,184	583,388	613,781	(30,393)
Miscellaneous	729,583	724,748	599,113	125,635
Employee fringe benefits	2,287,184	2,287,186	2,198,551	88,635
Agencies	141,067	141,067	130,349	10,718
<b>TOTAL EXPENDITURES</b>	<u>11,593,820</u>	<u>11,593,820</u>	<u>10,971,495</u>	<u>622,325</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,949,961)</u>	<u>(1,949,961)</u>	<u>(779,578)</u>	<u>1,170,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	27,502	27,502
Transfer to/from Special Revenue Funds	600,000	600,000	272,986	(327,014)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>600,000</u>	<u>600,000</u>	<u>300,488</u>	<u>(299,512)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>\$ (1,349,961)</u>	<u>\$ (1,349,961)</u>	<u>(479,090)</u>	<u>\$ 870,871</u>
<b>Fund Balance at Beginning of Year, As Restated - Note 17</b>			<u>8,401,952</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 7,922,862</u>	

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Administration</b>				
Salaries	\$ 480,618	\$ 480,618	\$ 407,416	\$ 73,202
Travel, members	15,000	16,205	16,205	-
Vehicle maintenance	2,000	867	698	169
Membership, dues, and meetings	2,500	2,666	2,666	-
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	15,294	15,294	-
Gasoline and oil	1,600	1,400	1,175	225
Telephone	6,000	5,762	5,582	180
Contract services	20,000	18,906	16,222	2,684
Oburg/Calhoun Transit Prog	10,000	10,000	10,000	-
Professional services	60,000	60,000	26,744	33,256
Legislative Delegation	2,000	2,000	-	2,000
<b>TOTAL ADMINISTRATION</b>	<u>631,577</u>	<u>631,577</u>	<u>519,860</u>	<u>111,717</u>
<b>PUBLIC WORKS</b>				
<b>Roads, Repair, and Construction:</b>				
Salaries	200,760	180,600	156,398	24,202
Equipment maintenance	40,000	42,883	42,883	-
Supplies and operating	23,000	24,606	24,607	(1)
Gas, fuel, and oil	44,000	43,414	43,367	47
Telephone	1,500	1,500	1,092	408
	<u>309,260</u>	<u>293,003</u>	<u>268,347</u>	<u>24,656</u>
<b>Landfill:</b>				
Salaries	36,764	36,764	35,681	1,083
Supplies and operating	12,000	8,318	6,283	2,035
Telephone	1,400	1,400	1,242	158
Electricity	3,500	3,500	2,747	753
Equipment maintenance	40,483	34,186	34,186	-
Heat	1,200	1,200	1,078	122
Landfill closeout	25,000	25,000	17,527	7,473
Water	500	500	252	248
Gas, fuel, and oil	10,000	19,670	14,835	4,835
	<u>130,847</u>	<u>130,538</u>	<u>113,831</u>	<u>16,707</u>



**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Collections:</b>				
Salaries	206,545	206,545	181,772	24,773
Equipment maintenance	35,000	35,059	35,059	-
Supplies and operating	2,500	8,159	8,159	-
Gas, fuel, and oil	50,000	37,304	36,929	375
Contract service	240,000	251,629	251,291	338
Telephone	3,000	3,597	3,598	(1)
Electricity	14,000	13,645	13,645	-
Collection site maintenance	5,000	5,000	4,812	188
Water	700	630	628	2
	<u>556,745</u>	<u>561,568</u>	<u>535,893</u>	<u>25,675</u>
<b>TOTAL PUBLIC WORKS</b>	<u>996,852</u>	<u>985,109</u>	<u>918,071</u>	<u>67,038</u>
<b>PUBLIC BUILDINGS</b>				
Salaries	79,648	124,103	118,563	5,540
Supplies and operating	19,014	15,432	13,873	1,559
Telephone	1,500	1,500	1,466	34
Electricity	210,000	211,600	211,599	1
Water	12,000	12,720	12,719	1
Janitorial service	40,000	42,350	42,350	-
Heat	6,000	3,460	3,460	-
Building maintenance	50,000	56,692	56,692	-
Vehicle maintenance	5,000	5,000	1,608	3,392
Grounds maintenance	23,000	16,530	15,515	1,015
Copier contracts	26,000	26,000	25,167	833
Utilities - John Ford	-	-	23,047	(23,047)
Gas, fuel, and oil	15,000	15,000	14,088	912
	<u>487,162</u>	<u>530,387</u>	<u>540,147</u>	<u>(9,760)</u>
<b>TOTAL PUBLIC BUILDINGS</b>	<u>487,162</u>	<u>530,387</u>	<u>540,147</u>	<u>(9,760)</u>
<b>FINANCE AND TAXATION</b>				
<b>County Auditor:</b>				
Salaries	59,354	59,354	59,354	-
Travel and dues	2,500	2,500	1,342	1,158
Supplies and postage	1,250	1,250	731	519
Telephone	750	750	617	133
	<u>63,854</u>	<u>63,854</u>	<u>62,044</u>	<u>1,810</u>
<b>County Treasurer:</b>				
Salaries	89,532	89,532	88,982	550
Travel and dues	2,500	2,658	2,623	35
Supplies and postage	25,350	25,262	23,467	1,795
Telephone	350	280	280	-
	<u>117,732</u>	<u>117,732</u>	<u>115,352</u>	<u>2,380</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>County Tax Collector:</b>				
Salaries	56,914	56,913	56,915	(2)
Travel and dues	2,000	2,000	349	1,651
Supplies and postage	30,000	33,003	33,003	-
Telephone	300	300	73	227
Contract Service	7,000	3,997	-	3,997
	<u>96,214</u>	<u>96,213</u>	<u>90,340</u>	<u>5,873</u>
<b>County Tax Assessor:</b>				
Salaries	178,310	178,310	177,981	329
Travel and dues	5,200	5,200	3,991	1,209
Vehicle maintenance	2,500	1,262	126	1,136
Supplies and postage	10,562	10,562	5,537	5,025
Gasoline and oil	2,500	2,500	1,001	1,499
Telephone	750	750	691	59
Assessment Appeals Board	1,000	1,000	225	775
GIS Website Hosting/Admin Fees	15,300	16,538	16,538	-
Legal advertisement	500	500	-	500
	<u>216,622</u>	<u>216,622</u>	<u>206,090</u>	<u>10,532</u>
<b>Computer Service:</b>				
Computer service	140,000	140,000	127,375	12,625
IT contract/salaries	40,400	40,400	40,399	1
Wide area telephone network	75,000	75,000	74,180	820
Travel and training	4,000	4,000	1,195	2,805
On Line Access	12,000	12,000	11,749	251
	<u>271,400</u>	<u>271,400</u>	<u>254,898</u>	<u>16,502</u>
<b>TOTAL FINANCE AND TAXATION</b>	<u>765,822</u>	<u>765,821</u>	<u>728,724</u>	<u>37,097</u>
<b>JUDICIAL</b>				
<b>Clerk of Court:</b>				
Salaries	180,171	181,415	181,415	-
Travel and dues	2,250	2,250	2,241	9
Supplies and operating	13,000	12,867	11,935	932
Court expense	18,000	16,756	9,440	7,316
Contract services	33,000	33,000	31,315	1,685
Telephone	1,900	2,033	2,033	-
Case management system	36,000	36,000	36,000	-
Child Support Unit Cost	5,000	5,000	3,859	1,141
	<u>289,321</u>	<u>289,321</u>	<u>278,238</u>	<u>11,083</u>
<b>Judge of Probate:</b>				
Salaries	83,641	83,641	84,885	(1,244)
Travel and dues	3,000	2,242	1,251	991
Supplies	2,500	3,258	3,264	(6)
Telephone	650	650	569	81
	<u>89,791</u>	<u>89,791</u>	<u>89,969</u>	<u>(178)</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Magistrate - St. Matthews:</b>				
Salaries	90,874	90,874	90,873	1
Travel and dues	1,250	1,250	1,229	21
Court expense	8,000	8,000	4,020	3,980
Supplies and operating	5,000	4,958	3,328	1,630
Telephone	1,100	1,142	1,142	-
Contract service - custodial	3,638	1,288	-	1,288
Rent	7,200	7,200	7,200	-
	<u>117,062</u>	<u>114,712</u>	<u>107,792</u>	<u>6,920</u>
<b>Magistrate - Cameron:</b>				
Salaries	26,663	26,663	15,671	10,992
Travel and dues	1,500	1,500	1,456	44
Supplies	1,000	1,204	1,204	-
Telephone	500	296	198	98
Rent	1,200	1,200	1,200	-
Clerical	5,000	5,000	4,364	636
	<u>35,863</u>	<u>35,863</u>	<u>24,093</u>	<u>11,770</u>
<b>Magistrate - Sandy Run:</b>				
Salaries	26,663	26,663	20,960	5,703
Travel and dues	4,000	2,976	2,095	881
Telephone	3,000	3,055	3,055	-
Clerical	12,500	12,500	7,752	4,748
Contract service/janitor	4,680	4,680	28	4,652
Supplies and operating	2,200	3,168	2,717	451
	<u>53,043</u>	<u>53,042</u>	<u>36,607</u>	<u>16,435</u>
<b>Public Defender:</b>				
Contract funding	30,405	30,405	30,405	-
<b>Master-In-Equity:</b>				
Salaries	13,683	13,683	13,820	(137)
Supplies	2,166	2,166	2,166	-
	<u>15,849</u>	<u>15,849</u>	<u>15,986</u>	<u>(137)</u>
<b>Solicitor's Office:</b>				
Supplement	56,500	56,500	56,500	-
<b>TOTAL JUDICIAL</b>	<u>687,834</u>	<u>685,483</u>	<u>639,590</u>	<u>45,893</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC SAFETY</b>				
<b>County Sheriff:</b>				
Salaries	1,054,222	1,068,622	1,026,796	41,826
Travel and dues	4,500	4,500	3,995	505
Supplies and operating	54,000	49,200	49,201	(1)
Gasoline and oil	160,000	153,041	147,653	5,388
Uniforms	19,500	19,560	19,560	-
Telephone	20,000	21,124	21,124	-
Vehicle maintenance	35,000	38,405	38,405	-
Tactical aids	10,000	14,940	14,849	91
Contract service/custodial	14,550	12,550	11,177	1,373
Contract service/radio	31,000	32,928	32,928	-
Information service	2,000	2,000	2,000	-
Capital Items	7,500	7,802	7,802	-
Sheriff/Auto Allowance	14,400	-	-	-
Certification school	4,000	4,000	2,780	1,220
	<u>1,430,672</u>	<u>1,428,672</u>	<u>1,378,270</u>	<u>50,402</u>
<b>County Coroner:</b>				
Salaries	20,000	21,444	21,443	1
Travel and dues	1,500	1,500	1,072	428
Supplies and operating	2,500	2,319	1,788	531
Gasoline and oil	1,200	1,200	1,032	168
Vehicle maintenance	500	500	484	16
Contract service/radio	300	300	180	120
Post mortem and inquests	11,000	9,556	9,300	256
Indigent burial	800	800	-	800
Telephone	2,000	2,181	2,181	-
	<u>39,800</u>	<u>39,800</u>	<u>37,480</u>	<u>2,320</u>
<b>Emergency Management:</b>				
Salaries	25,625	25,625	-	25,625
Travel and dues	1,500	1,369	741	628
Supplies and operating	3,000	3,000	2,786	214
Telephone	2,000	2,000	2,132	(132)
Sat. phone / weather	1,000	1,131	141	990
Transmitter/towers/generators	25,000	25,000	22,969	2,031
LEPC	1,500	1,500	832	668
Internet	1,000	1,000	955	45
Special projects	2,000	2,000	-	2,000
	<u>62,625</u>	<u>62,625</u>	<u>30,556</u>	<u>32,069</u>
<b>Detention Center:</b>				
Contingent	21,286	21,286	-	21,286
O-C Detention Center	724,323	724,323	724,323	-
	<u>745,609</u>	<u>745,609</u>	<u>724,323</u>	<u>21,286</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>2,278,706</u>	<u>2,276,706</u>	<u>2,170,629</u>	<u>106,077</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>HEALTH AND WELFARE</b>				
<b>Health Department:</b>				
Supplies and operating	2,500	2,500	662	1,838
Contract services - custodial	9,500	9,500	-	9,500
Contract services	1,000	1,000	539	461
Telephone	3,000	3,000	2,759	241
	<u>16,000</u>	<u>16,000</u>	<u>3,960</u>	<u>12,040</u>
<b>Emergency Medical Service:</b>				
Salaries	971,522	971,522	954,616	16,906
Travel and dues	6,000	6,000	4,379	1,621
Vehicle maintenance	40,000	36,820	35,568	1,252
Supplies and operating	68,000	75,866	75,866	-
Gasoline and oil	60,000	51,804	50,930	874
Telephone	7,000	9,242	9,242	-
Contract /Cardio Monitors	5,200	5,530	5,531	(1)
Contract service/radio	2,000	2,000	324	1,676
Medical control physician	4,800	4,800	4,800	-
Medical control physician insurance	8,000	8,000	6,452	1,548
Uniforms	8,000	8,938	8,940	(2)
Special projects	5,000	5,000	-	5,000
	<u>1,185,522</u>	<u>1,185,522</u>	<u>1,156,648</u>	<u>28,874</u>
<b>Council on Aging:</b>				
Grant match	132,500	132,500	132,500	-
<b>Alcohol and Drug Abuse Commission:</b>				
Appropriation	9,000	9,000	9,000	-
<b>Department of Social Services:</b>				
Emergency fund	1,500	1,500	1,486	14
Contract service - custodial	9,500	-	1	(1)
Telephone	7,200	7,200	7,964	(764)
	<u>18,200</u>	<u>8,700</u>	<u>9,451</u>	<u>(751)</u>
<b>Veteran Affairs Office:</b>				
Salaries	20,000	20,000	20,000	-
Travel and dues	1,000	1,267	1,425	(158)
Supplies and operating	800	468	468	-
Telephone	700	765	765	-
	<u>22,500</u>	<u>22,500</u>	<u>22,658</u>	<u>(158)</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Animal and Mosquito Control:</b>				
Salaries	82,100	82,100	78,864	3,236
Travel & dues	2,000	1,999	576	1,423
Vehicle expenses	1,800	1,699	1,678	21
Supplies and operating	10,000	10,000	8,973	1,027
Gasoline/Oil	10,000	10,000	8,176	1,824
Mosquito Supply	10,000	10,000	9,737	263
Telephone	3,500	3,701	3,701	-
Electricity	4,000	3,723	3,482	241
Heat	3,500	3,677	3,677	-
Animal Control Vet	1,900	1,900	1,900	-
	<u>128,800</u>	<u>128,799</u>	<u>120,764</u>	<u>8,035</u>
<b>Litter &amp; Risk Management:</b>				
Salaries	40,000	40,000	40,000	-
Travel and dues	500	500	381	119
Vehicle expenses	750	699	801	(102)
Supplies and operating	1,500	1,500	98	1,402
Gasoline and oil	3,688	3,739	3,622	117
Telephone	750	750	328	422
	<u>47,188</u>	<u>47,188</u>	<u>45,230</u>	<u>1,958</u>
<b>E-911:</b>				
Travel and dues	2,000	2,000	1,312	688
Vehicle expense	500	545	545	-
Supplies and operating	18,000	18,000	14,614	3,386
Gasoline and oil	1,000	997	528	469
Telephone	500	458	416	42
	<u>22,000</u>	<u>22,000</u>	<u>17,415</u>	<u>4,585</u>
<b>Communications Center:</b>				
Salaries	381,939	381,939	373,878	8,061
Uniforms	2,000	627	273	354
Travel and training	2,000	2,000	783	1,217
Supplies and operating	9,500	9,500	4,773	4,727
Radio service contract	1,500	1,590	1,590	-
Telephone	8,000	8,317	8,316	1
Generator Svc. Contract	1,200	1,200	475	725
Contract services	2,000	4,966	4,966	-
	<u>408,139</u>	<u>410,139</u>	<u>395,054</u>	<u>15,085</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>1,989,849</u>	<u>1,982,348</u>	<u>1,912,680</u>	<u>69,668</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
<b>County Library:</b>				
Salaries	298,537	289,193	285,438	3,755
Travel and dues	4,275	4,275	2,786	1,489
Supplies and operating	41,250	46,161	46,161	-
Gasoline and oil	3,000	3,000	1,496	1,504
Telephone	3,500	2,084	2,084	-
Copier & Supplies	3,700	11,093	2,629	8,464
Contract Serv/Custodial	9,395	-	-	-
Contract Serv/IT Support	3,000	1,456	1,457	(1)
State Aid expense	-	-	75,000	(75,000)
Building maintenance/air conditioning	-	-	7,247	(7,247)
Vehicle maintenance	2,000	2,000	1,192	808
	<u>368,657</u>	<u>359,262</u>	<u>425,490</u>	<u>(66,228)</u>
<b>Historical Commission:</b>				
Salaries	125,927	125,927	105,020	20,907
Travel and dues	3,000	3,000	2,316	684
Supplies and operating	19,500	19,426	19,037	389
Telephone	1,200	1,273	1,273	-
Advertising	4,000	4,000	4,000	-
Insurance Appraisal	6,000	6,000	-	6,000
Ground Maintenance	6,000	6,000	6,000	-
Special Projects/Confederation	5,000	5,000	5,000	-
Capital Items/Computer	6,500	6,500	5,153	1,347
Contract Service - Custodial	5,400	-	-	-
S. C. Arts Grant Match	11,500	11,500	11,500	-
	<u>194,027</u>	<u>188,626</u>	<u>159,299</u>	<u>29,327</u>
<b>Santee Cooper Country</b>	500	500	500	-
<b>Recreation:</b>				
Recreation Commission	20,000	17,361	11,113	6,248
District 1	2,000	2,000	2,000	-
District 2	2,000	2,000	1,300	700
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	7,639	8,079	(440)
	<u>35,000</u>	<u>35,000</u>	<u>28,492</u>	<u>6,508</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>598,184</u>	<u>583,388</u>	<u>613,781</u>	<u>(30,393)</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS</b>				
<b>Board of Registration:</b>				
Salaries	88,275	88,275	80,876	7,399
Travel and dues	5,500	5,500	3,138	2,362
Supplies and operating	17,000	17,000	18,821	(1,821)
Legal fees	3,000	3,000	-	3,000
Telephone	500	500	300	200
	<u>114,275</u>	<u>114,275</u>	<u>103,135</u>	<u>11,140</u>
<b>Fort Motte Community Center Commission</b>	5,000	5,000	4,060	940
<b>Development Commission:</b>				
Travel and dues	1,200	1,438	1,438	-
Special events, advertising, and options	-	275	275	-
Lake Marion water fees	70,000	69,487	55,966	13,521
Central Alliance	72,000	72,000	72,000	-
	<u>143,200</u>	<u>143,200</u>	<u>129,679</u>	<u>13,521</u>
<b>Contingent</b>				
Contingent	109,942	109,942	55,181	54,761
Fuel Contingent	25,000	20,130	-	20,130
	<u>134,942</u>	<u>130,072</u>	<u>55,181</u>	<u>74,891</u>
<b>Building and Planning:</b>				
Salary	60,856	60,856	62,571	(1,715)
Board members	1,500	1,500	665	835
Travel Dues	1,200	1,200	848	352
Vehicle Expense	1,250	1,250	693	557
Supplies and operating	2,900	2,831	1,939	892
Gasoline and oil	3,100	3,135	3,135	-
Telephone	1,600	1,669	1,669	-
	<u>72,406</u>	<u>72,441</u>	<u>71,520</u>	<u>921</u>
<b>Other:</b>				
Donation expense	25,000	25,000	53,480	(28,480)
Tort liability insurance	175,260	175,260	145,158	30,102
Bank charges	1,000	1,000	2,368	(1,368)
Auditing county records	34,000	34,000	28,395	5,605
Bond premium	2,500	2,500	2,595	(95)
Clerical part time	2,000	2,000	-	2,000
Grant match	20,000	20,000	-	20,000
Micellaneous	-	-	3,542	(3,542)
	<u>259,760</u>	<u>259,760</u>	<u>235,538</u>	<u>24,222</u>
<b>TOTAL MISCELLANEOUS</b>	<u>729,583</u>	<u>724,748</u>	<u>599,113</u>	<u>125,635</u>
<b>EMPLOYEE FRINGE BENEFITS</b>				
HRA account	160,000	157,140	126,831	30,309
Unemployment	10,000	10,000	-	10,000



**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2014**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable)</b>
Social Security	355,267	355,267	342,704	12,563
Retirement	378,917	364,372	361,385	2,987
Police retirement/cnty	118,000	132,545	144,939	(12,394)
Health and life insurance	1,050,000	1,050,001	989,933	60,068
Worker's compensation insurance	140,000	140,000	154,899	(14,899)
Retirees/health insurance	75,000	77,861	77,860	1
<b>TOTAL EMPLOYEE FRINGE BENEFITS</b>	<b>2,287,184</b>	<b>2,287,186</b>	<b>2,198,551</b>	<b>88,635</b>
<b>AGENCIES</b>				
Mental Health	9,000	9,000	9,000	-
Indigent Hospitalization	56,517	56,517	56,517	-
Vocational Rehabilitation	3,000	3,000	-	3,000
OCAB Community Action	7,500	7,500	7,500	-
Fire Commission	45,000	45,000	45,000	-
Boys Clubs of America	8,000	8,000	4,532	3,468
Extension Leader and 4H Club Work	4,000	4,000	4,000	-
Family Health Center	4,250	4,250	-	4,250
Soil and Water Conservation	1,800	1,800	1,800	-
Tri County CASA	2,000	2,000	2,000	-
<b>TOTAL AGENCIES</b>	<b>141,067</b>	<b>141,067</b>	<b>130,349</b>	<b>10,718</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,593,820</b>	<b>\$ 11,593,820</b>	<b>\$ 10,971,495</b>	<b>\$ 622,325</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Property	\$ -	\$ -	\$ 27,502	\$ 27,502
Transfers to/ from Special Revenue Funds	600,000	600,000	272,986	(327,014)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 300,488</b>	<b>\$ (299,512)</b>

**CALHOUN COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2014**

	<b>Clerk of Court</b>	<b>Magistrate St. Matthews</b>	<b>Magistrate Sandy Run</b>	<b>Magistrate Cameron</b>	<b>School District</b>	<b>Master in Equity</b>	<b>Delinquent Tax</b>	<b>Judge of Probate</b>	<b>Total</b>
<b>ASSETS</b>									
Cash	\$ 54,611	\$ 25,005	\$ 6,566	\$ 4,962	\$ 5,420,931	\$ 21,998	\$ 255,675	\$ 4,881	\$ 5,794,629
Property taxes receivable	-	-	-	-	766,529	-	-	-	766,529
Due from Others	465	25	-	-	-	14	-	-	504
<b>TOTAL ASSETS</b>	<b>\$ 55,076</b>	<b>\$ 25,030</b>	<b>\$ 6,566</b>	<b>\$ 4,962</b>	<b>\$ 6,187,460</b>	<b>\$ 22,012</b>	<b>\$ 255,675</b>	<b>\$ 4,881</b>	<b>\$ 6,561,662</b>
<b>LIABILITIES</b>									
Due to Trust Fund holders	\$ 55,076	\$ -	\$ -	\$ -	\$ 6,187,460	\$ 22,012	\$ 183,985	\$ -	\$ 6,448,533
Due to Treasurer	-	16,244	5,696	2,183	-	-	71,690	4,881	100,694
Outstanding Bonds	-	6,550	82	638	-	-	-	-	7,270
Held for jurors	-	-	-	225	-	-	-	-	225
Due to Treasurer - cash overage (shortage) - Note 10	-	2,236	788	1,916	-	-	-	-	4,940
<b>Total Liabilities</b>	<b>\$ 55,076</b>	<b>\$ 25,030</b>	<b>\$ 6,566</b>	<b>\$ 4,962</b>	<b>\$ 6,187,460</b>	<b>\$ 22,012</b>	<b>\$ 255,675</b>	<b>\$ 4,881</b>	<b>\$ 6,561,662</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>CLERK OF COURT</b>				
<b>Assets</b>				
Cash	\$ 54,119	\$ 492	\$ -	\$ 54,611
Due from others	465	-	-	465
<b>Total Assets</b>	<b>\$ 54,584</b>	<b>\$ 492</b>	<b>\$ -</b>	<b>\$ 55,076</b>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 54,584	\$ 492	\$ -	\$ 55,076
<b>Total Liabilities</b>	<b>\$ 54,584</b>	<b>\$ 492</b>	<b>\$ -</b>	<b>\$ 55,076</b>
<b>ST. MATTHEWS MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 19,397	\$ 264,961	\$ 259,353	\$ 25,005
Due from others	125	3,120	3,220	25
<b>Total Assets</b>	<b>\$ 19,522</b>	<b>\$ 268,081</b>	<b>\$ 262,573</b>	<b>\$ 25,030</b>
<b>Liabilities</b>				
Due to Treasurer	\$ 13,690	\$ 2,554	\$ -	\$ 16,244
Outstanding Bonds	3,898	2,652	-	6,550
Due to Treasurer - Cash overage (shortage) - Note 10	1,934	302	-	2,236
<b>Total Liabilities</b>	<b>\$ 19,522</b>	<b>\$ 5,508</b>	<b>\$ -</b>	<b>\$ 25,030</b>
<b>SANDY RUN MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 13,375	\$ 78,183	\$ 84,992	\$ 6,566
<b>Total Assets</b>	<b>\$ 13,375</b>	<b>\$ 78,183</b>	<b>\$ 84,992</b>	<b>\$ 6,566</b>
<b>Liabilities</b>				
Due to Treasurer	\$ 10,357	\$ -	\$ 4,661	\$ 5,696
Outstanding Bonds	2,341	-	2,259	82
Due to Treasurer - Cash overage (shortage) - Note 10	677	111	-	788
<b>Total Liabilities</b>	<b>\$ 13,375</b>	<b>\$ 111</b>	<b>\$ 6,920</b>	<b>\$ 6,566</b>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>CAMERON MAGISTRATE FUND</b>				
<b>Assets</b>				
Cash	\$ 6,843	\$ 32,628	\$ 34,509	\$ 4,962
<b>Total Assets</b>	<u>\$ 6,843</u>	<u>\$ 32,628</u>	<u>\$ 34,509</u>	<u>\$ 4,962</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 4,191	\$ -	\$ 2,008	\$ 2,183
Outstanding bonds	416	222	-	638
Held for jurors	110	800	685	225
Due to Treasurer - Cash overage (shortage) - Note 10	2,126	-	210	1,916
<b>Total Liabilities</b>	<u>\$ 6,843</u>	<u>\$ 1,022</u>	<u>\$ 2,903</u>	<u>\$ 4,962</u>
<b>DELINQUENT TAX FUND</b>				
<b>Assets</b>				
Cash	\$ 256,984	\$ -	\$ 1,309	\$ 255,675
<b>Total Assets</b>	<u>\$ 256,984</u>	<u>\$ -</u>	<u>\$ 1,309</u>	<u>\$ 255,675</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 256,984	\$ -	\$ 72,999	\$ 183,985
Due to Treasurer	-	71,690	-	71,690
<b>Total Liabilities</b>	<u>\$ 256,984</u>	<u>\$ 71,690</u>	<u>\$ 72,999</u>	<u>\$ 255,675</u>
<b>CALHOUN COUNTY SCHOOL DISTRICT FUND</b>				
<b>Assets</b>				
Cash	\$ 4,965,812	\$ 455,119	\$ -	\$ 5,420,931
Property taxes receivable	615,284	151,245	-	766,529
<b>Total Assets</b>	<u>\$ 5,581,096</u>	<u>\$ 606,364</u>	<u>\$ -</u>	<u>\$ 6,187,460</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 5,581,096	\$ 606,364	\$ -	\$ 6,187,460
<b>Total Liabilities</b>	<u>\$ 5,581,096</u>	<u>\$ 606,364</u>	<u>\$ -</u>	<u>\$ 6,187,460</u>

**CALHOUN COUNTY, SOUTH CAROLINA  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>MASTER IN EQUITY</b>				
<b>Assets</b>				
Cash	\$ 21,994	\$ 76,053	\$ 76,049	\$ 21,998
Due from others	18	-	4	14
<b>Total Assets</b>	<u>\$ 22,012</u>	<u>\$ 76,053</u>	<u>\$ 76,053</u>	<u>\$ 22,012</u>
<b>Liabilities</b>				
Due to Trust Fund Holders	\$ 22,012	\$ -	\$ -	\$ 22,012
<b>Total Liabilities</b>	<u>\$ 22,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,012</u>
<b>JUDGE OR PROBATE</b>				
<b>Assets</b>				
Cash	\$ -	\$ 4,881	\$ -	\$ 4,881
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 4,881</u>	<u>\$ -</u>	<u>\$ 4,881</u>
<b>Liabilities</b>				
Due to Treasurer	\$ -	\$ 4,881	\$ -	\$ 4,881
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 4,881</u>	<u>\$ -</u>	<u>\$ 4,881</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	\$ 5,338,524	\$ 912,317	\$ 456,212	\$ 5,794,629
Property taxes receivable	615,284	151,245	-	766,529
Due from others	608	3,120	3,224	504
<b>Total Assets</b>	<u>\$ 5,954,416</u>	<u>\$ 1,066,682</u>	<u>\$ 459,436</u>	<u>\$ 6,561,662</u>
<b>Liabilities</b>				
Due to Treasurer	\$ 28,238	\$ 79,125	\$ 6,669	\$ 100,694
Outstanding Bonds	6,655	2,874	2,259	7,270
Due to Treasurer - Cash overage (shortage) - Note 10	4,737	413	210	4,940
Held for jurors	110	800	685	225
Due to Trust Fund holders	5,914,676	606,856	72,999	6,448,533
<b>Total Liabilities</b>	<u>\$ 5,954,416</u>	<u>\$ 690,068</u>	<u>\$ 82,822</u>	<u>\$ 6,561,662</u>

**CALHOUN COUNTY**  
**SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES**  
**SPECIAL REVENUE FUND - VICTIMS RIGHTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Clerk of Court</b>	<b>Magistrates</b>	<b>Total</b>
<b>County Fines</b>			
Court fines collected	\$ 112,806	\$ 5,740	\$ 118,546
Court fines retained by County	<u>48,700</u>	<u>-</u>	<u>48,700</u>
Court fines remitted to the State Treasurer	<u>\$ 64,106</u>	<u>\$ 5,740</u>	<u>\$ 69,846</u>
<b>Court Assessments</b>			
Court assessments collected	\$ 8,585	\$ 135,012	\$ 143,597
Court assessments retained by County	<u>4,034</u>	<u>13,280</u>	<u>17,314</u>
Court assessments remitted to the State Treasurer	<u>\$ 4,551</u>	<u>\$ 121,732</u>	<u>\$ 126,283</u>
<b>Court Surcharges</b>			
Court surcharges collected	\$ 7,744	\$ 69,172	\$ 76,916
Court surcharges retained by County	<u>2,789</u>	<u>5,483</u>	<u>8,272</u>
Court surcharges remitted to State Treasurer	<u>\$ 4,955</u>	<u>\$ 63,689</u>	<u>\$ 68,644</u>
<b>Victims Services</b>			
Court assessments allocated to Victim Services	\$ 4,034	\$ 13,280	\$ 17,314
Court surcharges allocated to Victim Services	<u>2,789</u>	<u>5,483</u>	<u>8,272</u>
Funds available for carryforward	<u>\$ 6,823</u>	<u>\$ 18,763</u>	<u>\$ 25,586</u>
<b>Victims Assistance</b>			
Beginning Balance - July 1, 2013		\$ 54,322	
Funds available for carryforward		25,586	
Victims Services expenditures		<u>(33,753)</u>	
Ending Balance - June 30, 2014		<u>\$ 46,155</u>	

**CALHOUN COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2014**

Real and Other Personal Property Assessed Value	\$ 55,928,719
Less: Exempt Property Assessed Value	<u>1,620,100</u>
Net Real Other Personal Property Assessed Value	54,308,619
Vehicles Assessed Value	<u>7,899,750</u>
Total Taxable Assessed Value	<u>62,208,369</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	4,976,670
Amount of Debt Applicable to Debt Limit: Total Bonded Debt	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 4,976,670</u></u>

**CALHOUN COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF MISCELLANEOUS REVENUE  
FOR THE YEAR ENDED JUNE 30, 2014**

Discounts earned	\$ 2,060
Computer service reimbursement	9,588
Franchise fees	5,519
Library - fax, fines, and postage	8,436
Miscellaneous	59,662
Landfill fees	15,117
Animal control fees	185
Sale of recycle goods	20,900
Equipment, supplies, and fax	<u>6,467</u>
 TOTAL MISCELLANEOUS REVENUE	 <u><u>\$ 127,934</u></u>



**CALHOUN COUNTY, SOUTH CAROLINA  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
JUNE 30, 2014**

<b>Tax Year</b>	<b>Delinquent Taxes</b>
2004	\$ 41,692
2005	47,939
2006	67,620
2007	50,271
2008	87,969
2009	91,266
2010	76,076
2011	86,757
2012	96,142
2013	468,553
Rollbacks	6,176
	\$ 1,120,461
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2014</b>	<b>\$ 1,120,461</b>
Delinquent taxes, June 30, 2013	\$ 1,092,426
Add executions, March 18, 2014	786,943
Supplementals	169,092
Less:	
Collections	886,294
Errors	35,673
Refunds	4,478
Nulla Bonaes	1,555
	\$ 1,120,461
<b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2014</b>	<b>\$ 1,120,461</b>
Distribution	
General Fund	\$ 433,143
Special Assessment Fund	23,196
Calhoun County School District	631,131
Capital Projects	10,956
Debt Service	22,035
	\$ 1,120,461
<b>TOTAL</b>	<b>\$ 1,120,461</b>

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1906–1968

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## 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, 2014, 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 February 6, 2015.

### 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.

*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. *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.

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**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)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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*.

**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.

*McGregor & Co. LLP*

Orangeburg, South Carolina  
February 6, 2015

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

### Report on Compliance for Each Major Federal Program

We have audited Calhoun County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Calhoun County, South Carolina's major federal programs for the year ended June 30, 2014. Calhoun County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Calhoun County, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Calhoun County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Calhoun County, South Carolina's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

***Opinion on Each Major Federal Program***

In our opinion, Calhoun County, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of Calhoun County, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Calhoun County, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Calhoun County, South Carolina's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*McGregor & Co. LLP*

Orangeburg, South Carolina  
February 6, 2015

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Through Department of Social Services:			
Office of Child Support Enforcement:			
Filing fees	93.563	G-04SC404	\$ 12,691
Federal Financial Assistance	93.563	G-04SC404	46,816
Clerk of Court Incentive (IV-D)	93.563	G-04SC404	7,677
Family Court	93.563	G-04SC404	51,960
Sheriff's Department	93.563	G-04SC404	4,719
CLTC Home Delivered Meals - Council on Aging	93.045	E-40456	23,263
<b>US EPA WATER PROTECTION DIVISION</b>			
Water system project	14.228	XP 95452211-0	107,316
<b>US DEPARTMENT OF HOMELAND SECURITY</b>			
Through SC Emergency Management Division:			
LEMPG- 2012 Supplemental	97.042	12EMPG01	11,000
LEMPG 2013	97.042	13EMPG01	45,386
Severe Winter Storm	97.036	PA-04-SC-4166-PW-00040	21,855
<b>NATIONAL ENDOWMENT FOR HUMANITIES:</b>			
Through the SC Arts Commission:			
County Museum	45.025	FY15-GOS/PRE-1634	6,009
Through the SC State Library:			
School and Public Library Partnership-IIID Competitive	45.310	IID-13-04	13,042
School and Public Library Partnership-IIID Competitive	45.310	IID-12-01	348
<b>US DEPARTMENT OF AGRICULTURE</b>			
Rural Utilities Service - Loan ARRA	10.781		293,378
Rural Utilities Service - Loan ARRA	10.760		1,264,845
<b>GRAND TOTAL</b>			\$ 1,910,305

**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
NOTE TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE A- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Calhoun County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CALHOUN COUNTY, SOUTH CAROLINA  
ST. MATTHEWS, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Calhoun County.
2. No significant deficiencies or material weakness were disclosed during the audit of the financial statements or reported in the *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 Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Calhoun County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal awards programs for Calhoun County were disclosed during the audit or reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Calhoun County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The program tested as major programs included:

- Rural Utilities Service – Loan	CFDA# 10.781
- Rural Utilities Service Grant	CFDA# 10.760
8. The threshold used for distinguishing Type A and Type B programs was \$300,000.
9. Calhoun County was not determined to be a low-risk auditee.



**CALHOUN COUNTY  
ST. MATTHEWS, SOUTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**Material Weaknesses**

**2013-1 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:** No Finding for 2013-14.