

County of Georgetown
South Carolina



**Audited Basic Financial Statements
and Supplementary Information**

For the Year Ended June 30, 2013

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2013

COUNTY OF GEORGETOWN, SOUTH CAROLINA

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COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2013**

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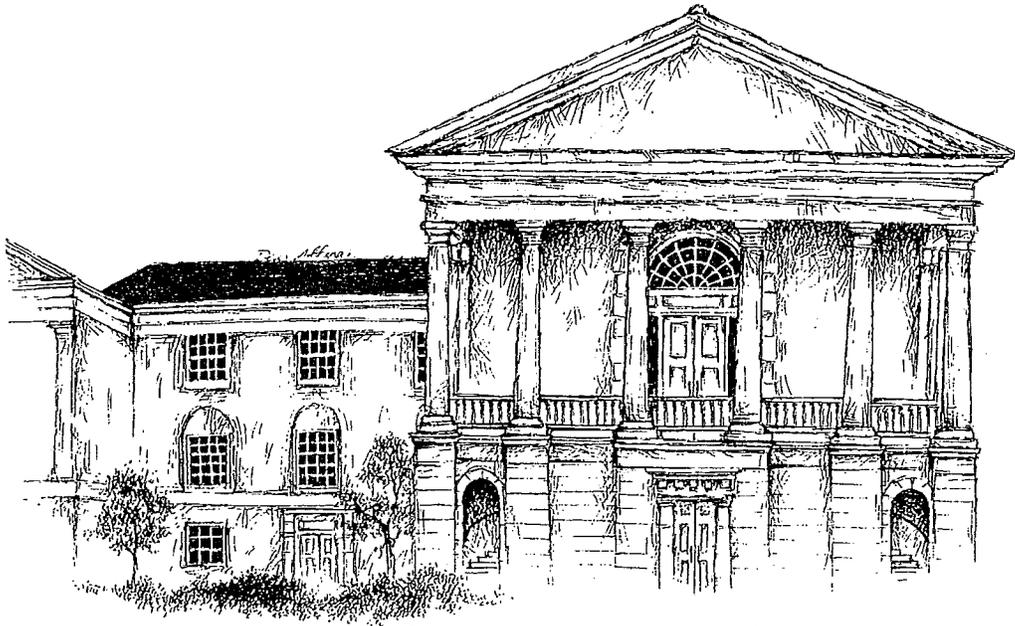
COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2013**

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INTRODUCTORY SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

List of Principal County Officials

June 30, 2013

Members of County Council

Jerry M. Oakley, <i>Vice Chairman</i>	District 1
Ron L. Charlton	District 2
Leona Myers-Miller	District 3
Lillie Jean Johnson	District 4
J. Austin Beard	District 5
Bob Anderson	District 6
Johnny Morant, <i>Chairman</i>	District 7

Elected Officials

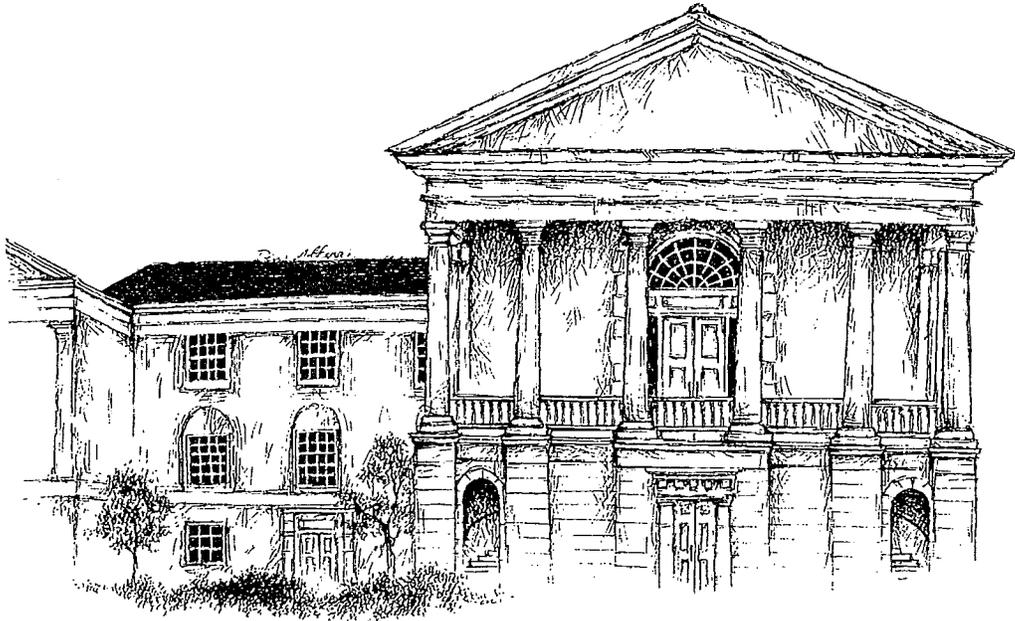
Loretta D. Washington-Cooper	Treasurer
Linda S. Mock	Auditor
Alma White	Clerk of Court
Kenneth M. Johnson	Coroner
Waldo A. Maring	Probate Judge
A. Lane Cribb	Sheriff

Administrative Officials

Sel Hemingway	County Administrator
Scott C. Proctor	Finance Director
Gregory L. Troutman	Administrative Services Director
<i>Vacant</i>	Information Technology Director
Wayne E. Gregory	Economic Development Director
L. Boyd Johnson	Planning & Code Enforcement Director
<i>Vacant</i>	Emergency Services Director
Ray C. Funnye	Public Services Director
Dwight E. McInvaill	Library System Director
Wesley P. Bryant	County Attorney

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FINANCIAL SECTION



Georgetown County
Georgetown, SC

INDEPENDENT AUDITORS' REPORT

To the County Council
Georgetown County, South Carolina
Georgetown, 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 Georgetown County, South Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown County, South Carolina, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress on pages 5-15, 59-73, and 58, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Georgetown County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other supplemental information 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 nonmajor fund financial statements 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 nonmajor fund financial statements 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.

The introductory and other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of Georgetown 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 Georgetown County, South Carolina's internal control over financial reporting and compliance.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2013

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

Management of the County of Georgetown, South Carolina, offers readers of the County's financial statements this narrative overview and analysis of the financial activities and condition of the County for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- **Revenues** of the County totaled approximately \$65.7 million and **expenses** amounted to approximately \$61.4 million, resulting in an increase to **net position** of approximately \$4.3 million, or about 3.6%, for the fiscal year.
- **Unrestricted net position** totaled approximately \$17.4 million at year-end. This is the excess of the County's assets over its liabilities that may be used to meet ongoing obligations to citizens and creditors.
- The County increased its **investment in capital assets**, net of accumulated depreciation, by roughly \$13.2 million during the current year bringing the total book value of capital assets at year-end to approximately \$143.7 million.
- Total **outstanding debt** of the County increased by approximately \$17.1 million, bringing the total outstanding debt at year-end to approximately \$90.4 million.
- At the close of the fiscal year, the County's governmental funds reported combined **fund balances** of approximately \$67.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- **Government-wide financial statements.** 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 net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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 only 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 the 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 governmental activities of the County include general government, public safety, public works, health & welfare, culture & recreation functions, and economic development. The business-type activities of the County include environmental services and stormwater management functions.

The government-wide financial statements can be found on pages 18 and 19 of this report.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- **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. A 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 Georgetown 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. Most of the County's basic services are accounted for in various governmental funds. 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 financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* in the fund financial statements 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and for each of the other "major" governmental funds. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* on pages 81-94 of this report.

The basic governmental funds financial statements can be found on pages 20-27 of this report.

Proprietary funds. The County maintains only one type of proprietary fund – the enterprise fund type. An *Enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for the environmental services and stormwater drainage funds which are considered to be major enterprise funds of the County.

The basic proprietary funds financial statements can be found on pages 28-31 of this report.

Fiduciary funds. 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 statement 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 32 of this report.

- **Notes to the 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 financial statements can be found on pages 33-55 of this report.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other information. In addition to the basic financial statements and accompanying notes, a schedule has been presented which reports the funding progress of the County's post-employment healthcare plan. Also, budgetary comparison schedules have been provided for the general fund and each of the major special revenue funds with legally appropriated budgets to demonstrate compliance with the annual appropriated budget. These schedules are presented as *required supplementary information*. Required supplementary information can be found on pages 58-74 of this report.

Other supplementary information is presented immediately following the required supplementary information. This information, which can be found on pages 78-97, includes the combining non-major governmental fund statements referred to earlier.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Our analysis of government-wide financial information focuses on the net position (see Table 1) and changes in net position (see Table 2) of the County's governmental and business-type activities.

As noted earlier, **net position** may serve over time as a useful indicator of a government's financial position. The County's total assets exceeded liabilities by approximately \$124.6 million at the close of the most recent fiscal year.

**Table 1
Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 68,999,973	\$ 75,298,406	\$ 14,476,056	\$ 16,025,202	\$ 83,476,029	\$ 91,323,608
Capital assets	<u>116,587,107</u>	<u>129,664,246</u>	<u>13,928,172</u>	<u>14,023,389</u>	<u>130,515,279</u>	<u>143,687,635</u>
Total assets	<u>\$ 185,587,080</u>	<u>\$ 204,962,652</u>	<u>\$ 28,404,228</u>	<u>\$ 30,048,591</u>	<u>\$ 213,991,308</u>	<u>\$ 235,011,243</u>
Current and other liabilities	\$ 7,923,497	\$ 6,139,853	\$ 296,813	\$ 477,992	\$ 8,220,310	\$ 6,617,845
Long-term liabilities outstanding	<u>75,910,596</u>	<u>93,697,652</u>	<u>9,598,147</u>	<u>10,140,210</u>	<u>85,508,743</u>	<u>103,837,862</u>
Total liabilities	<u>\$ 83,834,093</u>	<u>\$ 99,837,505</u>	<u>\$ 9,894,960</u>	<u>\$ 10,618,202</u>	<u>\$ 93,729,053</u>	<u>\$ 110,455,707</u>
Net position						
Net investment in capital assets	\$ 54,833,622	\$ 65,704,116	\$ 11,660,674	\$ 11,244,760	\$ 66,494,296	\$ 76,948,876
Restricted	31,906,203	30,177,253	--	--	31,906,203	30,177,253
Unrestricted	<u>15,013,162</u>	<u>9,243,778</u>	<u>6,848,594</u>	<u>8,185,629</u>	<u>21,861,756</u>	<u>17,429,407</u>
Total net position – June 30	<u>\$ 101,752,987</u>	<u>\$ 105,125,147</u>	<u>\$ 18,509,268</u>	<u>\$ 19,430,389</u>	<u>\$ 120,262,255</u>	<u>\$ 124,555,536</u>

Comprising the largest portion of total net position is the County's investment in capital assets (e.g., land, land improvements, buildings, machinery & equipment, vehicles, and furniture & fixtures) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. At year-end that balance totaled approximately \$77.0 million, or about 61.8% of total net position. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Approximately \$30.2 million, or 24.2% of total net position, represents resources that are subject to external restrictions on how they may be used. *Unrestricted* net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled approximately \$17.4 million, or 14.0% of total net position. Unrestricted net position includes amounts that are nonspendable and amounts that have been committed or assigned for projects or other uses.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues						
Program Revenues						
Charges for services	\$ 6,221,452	\$ 7,094,689	\$ 4,688,775	\$ 4,682,162	\$ 10,910,227	\$ 11,776,851
Operating grants and contributions	4,677,647	4,952,959	25,000	25,000	4,702,647	4,977,959
Capital grants and contributions	1,857,521	326,828	--	5,000	1,857,521	331,828
General Revenues						
Property taxes	34,338,563	33,922,142	2,589,127	2,622,799	36,927,690	36,544,941
Local accommodations and hospitality taxes	3,802,038	3,983,372	--	--	3,802,038	3,983,372
Local government fund	1,851,706	2,212,951	--	--	1,851,706	2,212,951
Federal interest subsidy *	684,580	654,801	--	--	684,580	654,801
Franchise fees	1,229,856	1,149,269	--	--	1,229,856	1,149,269
Road user fees	1,695,120	1,671,780	--	--	1,695,120	1,671,780
Other revenue	1,760,802	2,140,183	132,911	25,393	1,893,713	2,165,576
Investment earnings	621,672	19,980	27,570	13,405	649,242	33,385
Gain (loss) on disposal of assets	466,092	168,272	74,053	78,660	540,145	246,932
Total Revenues	\$ 59,207,049	\$ 58,297,226	\$ 7,537,436	\$ 7,452,419	\$ 66,744,485	\$ 65,749,645
Expenses						
General government	\$ 15,686,853	\$ 15,441,484	\$ --	\$ --	\$ 15,686,853	\$ 15,441,484
Public safety	23,066,244	23,466,527	--	--	23,066,244	23,466,527
Public works	3,084,943	3,040,324	--	--	3,084,943	3,040,324
Health & welfare	1,759,765	1,739,725	--	--	1,759,765	1,739,725
Economic development	2,270,691	2,337,306	--	--	2,270,691	2,337,306
Culture & recreation	5,566,630	5,685,356	--	--	5,566,630	5,685,356
Environmental services	69,485	66,935	5,408,751	5,626,059	5,478,236	5,692,994
Stormwater management	--	--	720,913	657,589	720,913	657,589
Interest and other charges *	3,500,795	3,395,059	--	--	3,500,795	3,395,059
Total Expenses	\$ 55,005,406	\$ 55,172,716	\$ 6,129,664	\$ 6,283,648	\$ 61,135,070	\$ 61,456,364
Increase in Net Position before Transfers	\$ 4,201,643	\$ 3,124,510	\$ 1,407,772	\$ 1,168,771	\$ 5,609,415	\$ 4,293,281
Transfers (net)	247,650	247,650	(247,650)	(247,650)	--	--
Increase in Net Position	\$ 4,449,293	\$ 3,372,160	\$ 1,160,122	\$ 921,121	\$ 5,609,415	\$ 4,293,281
Net Position – July 1	97,303,694	101,752,987	17,349,146	18,509,268	114,652,840	120,262,255
Net Position – June 30	\$ 101,752,987	\$ 105,125,147	\$ 18,509,268	\$ 19,430,389	\$ 120,262,255	\$ 124,555,536

* In prior years, the federal interest subsidy the County receives as an interest credit on the 2009B Installment Purchase Revenue Bonds ("Build America Bonds") was netted against interest expense reported on the bonds. It has been determined that it is more appropriate to report the subsidy as revenue. Accordingly, amounts shown above for "federal interest subsidy" and "interest and other charges" in the 2012 column have been restated to conform to the new presentation.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

As reflected above, the County's total revenues decreased by approximately \$1.0 million, or about 1.6%, during the most recent year. Expenses increased by approximately \$0.3 million, about 0.5%. The overall change to net position resulting from the current year's activities was positive, an increase of approximately \$4.3 million, or about 3.6%.

Our analysis below separately considers the operations of the County's governmental and business-type activities.

Governmental Activities

Governmental activities accounted for increases of \$3.4 million in the County's net position, or approximately 78.5% of the total growth in the County's net position. The cost of all governmental activities this year was \$55.2 million. As shown in the Statement of Activities on page 19 of this report, costs are funded through various revenue sources including from those individuals who directly benefited from the programs (\$7.1 million) and from other governments and organizations that subsidized certain programs with grants and contributions (\$5.3 million). The County paid for the remaining \$42.8 million in costs of governmental activities with other general revenues, such as property taxes, local accommodations and hospitality taxes, shared revenues from state government, federal interest subsidies, franchise fees, road user fees, investment earnings, and miscellaneous reimbursements.

Program revenues accounted for approximately 21.2% of total revenues from governmental activities in fiscal year 2013. Within this category, funding from **fees charged for services** increased by about 14.0% from the prior year. Some of the more significant positive variances from the prior year were increases in building permit fees, documentary stamps, ambulance fees, Master in Equity fees, utility franchise fees and traffic fines. Some of the relatively significant decreases in fees include decreases in cable franchise fees and estate fees. **Revenue from grants and contributions** decreased, by about 19.2%. The reduction in grants and contributions is not due to any particular trend or factor. Grant funding is not a stable source of revenue and depends in part on the timing of projects which the County has initiated. As a general rule, grant revenue is recognized as eligible costs are incurred. There were no capital contributions in FY2013.

General revenues accounted for the remaining 78.8% of revenues generated from governmental activities. In total, general revenues of governmental activities increased by less than \$0.2 million, or about 0.3% from the prior year. Property tax revenue decreased slightly as a result of reduced fee in lieu of tax (FILOT) collections. Local accommodations and hospitality taxes continued to grow, this year by 4.8%.

A very encouraging sign of some economic recovery is evident in an increase in impact fee revenue of approximately 21.9% over the prior year. Investment earnings were down dramatically, by about \$0.6 million over the prior year. This is primarily the result of having to mark down our debt service reserve fund investments in municipal bonds to market value. Although the loss in market value is unrealized, accounting requirements require an adjustment to market each year. One of the largest increases in FY2013 general revenues was in the allocation in Local Government Fund revenues allocated by the State to local governments. The increase was about \$0.4 million, however, the state legislature again over-rode statutory formulas and funded local governments at far less than the statutory formulas call for.

Expenses of the County's governmental activities increased by a little less than \$0.2 million, or about 0.3%, for the current year. There are many individual funds accounted for as governmental activities, including grant and other special revenue funds. Spending in these funds can vary significantly, up or down, based on the amount of funding received in a particular year. In general, expenses of all recurring operating funds have increased very little as compensation has remained static. Personnel costs account for a substantial portion of total operating costs of the County.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Business-Type Activities

Business-type activities accounted for increases in the County’s net position of \$0.9 million, approximately 21.5% of the total growth in the County’s net position. This compares with an increase in the previous year of \$1.2 million, which represented about 20.7% of the total growth that year. The County's business-type activities include the operations of the County landfill, along with related environmental services functions such as waste collection and recycling. They also include the operations of the stormwater drainage utility. Revenues of the business-type activities decreased by approximately \$0.1 million, or about 1.1%. The very minor decrease in revenues is the result of a large insurance reimbursement in the prior year which did not repeat. Expenses increased this year primarily as a result of increased landfill closure and postclosure care cost recognition.

CAPITAL ASSETS

At the end of FY 2013, the County had approximately \$143.7 million (net of accumulated depreciation) invested in a broad range of capital assets (See Table 3 below). This amount represents a net increase of about \$13.2 million, or 10.1%, over last year. The large increase reflected in construction-in-progress relates to the continuing accumulation of costs related to regional parks projects. Most of the new parks were near completion at year-end.

**Table 3
Capital Assets at Year-End**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Land	\$ 22,785,504	\$ 22,742,813	\$ 740,718	\$ 740,718	\$ 23,526,222	\$ 23,483,531
Improvements	26,824,321	26,908,751	15,329,163	15,339,483	42,153,484	42,248,234
Buildings	53,272,869	53,272,869	417,150	417,150	53,690,019	53,690,019
Infrastructure	22,308,500	23,584,475	--	--	22,308,500	23,584,475
Mining rights	--	--	225,000	225,000	225,000	225,000
Software	80,700	525,106	70,623	70,623	151,323	595,729
Furniture & fixtures	763,083	763,083	--	--	763,083	763,083
Machinery & equipment	18,624,503	20,919,017	5,525,002	5,838,541	24,149,505	26,757,558
Automotive equipment	19,951,568	21,934,594	2,293,967	2,891,920	22,245,535	24,826,514
Construction in progress	<u>21,802,265</u>	<u>35,913,491</u>	<u>271,402</u>	<u>791,627</u>	<u>22,073,667</u>	<u>36,705,118</u>
	\$ 186,413,313	\$ 206,564,199	\$ 24,873,025	\$ 26,315,062	\$ 211,286,338	\$ 232,879,261
Total accumulated depreciation	<u>(69,826,206)</u>	<u>(76,899,953)</u>	<u>(10,944,853)</u>	<u>(12,291,673)</u>	<u>(80,771,059)</u>	<u>(89,191,626)</u>
Net Capital Assets	<u>\$ 116,587,107</u>	<u>\$ 129,664,246</u>	<u>\$ 13,928,172</u>	<u>\$ 14,023,389</u>	<u>\$ 130,515,279</u>	<u>\$ 143,687,635</u>

This year's major capital purchases included:

- Purchase of 5 fire trucks (\$1,220,000)
- Purchase of 8 heavy duty trucks (\$1,257,000)
- Purchase of 22 vehicles for various departments (\$548,000)
- Purchase of 1 ambulance (\$159,000)
- Purchase of 1 library “bookmobile” (\$111,000)
- Purchase of E911 communications system (\$396,000)
- Purchase of 11 thermal imaging units for fire departments (\$116,000)
- Purchase of 5 heart monitor/defibrillators for EMS and fire departments (\$170,000)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

CAPITAL ASSETS (CONTINUED)

The following capital expenditures were for projects, some of which were still in progress at year-end:

- Recreational parks improvements project (\$12,521,000)
- “Old Courthouse” remodeling project (\$200,000)
- Emergency Operations Center/E911 Office expansion project (\$583,000)
- Various airport projects (\$201,000)
- New Waccamaw Neck Library (\$161,000)
- Stormwater drainage improvement projects (\$541,000)
- Road paving projects (\$2,395,000)

Additional information about the County’s capital assets, including significant remaining commitments for construction in progress at year-end, is presented in Note 6 and Note 13 to the financial statements.

DEBT ADMINISTRATION

As shown in Table 4 below, the County had \$90.4 million in bonds, notes, loans and lease obligations outstanding at year-end versus \$73.3 million last year, an increase of about 23.3%.

In June 2013, the County issued \$18,400,000 in general obligation serial bonds with interest rates ranging between 2.00% and 5.00%. The bonds, which have a final maturity in in fiscal year 2033, were issued to fund portions of the County’s Capital Improvements Plan, including completion of regional recreational parks, construction of the new Waccamaw Neck Library, and several transportation projects.

The only other debt issued during the year was for capital lease financing of equipment scheduled for replacement in the County’s long-term Capital Equipment Replacement Plan. More detailed information about the County’s debt obligations and future debt service requirements can be found in Note 7 to the financial statements.

**Table 4
Outstanding Debt at Year-End**

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
General obligation bonds	\$ 12,005,000	\$ 29,540,000	\$ --	\$ --	\$ 12,005,000	\$ 29,540,000
Installment purchase revenue bonds	49,430,000	47,565,000	--	--	49,430,000	47,565,000
Plus: Unamortized premiums	1,548,233	3,401,332	--	--	1,548,233	3,401,332
Less: Unamortized discounts	(367,485)	(346,385)	--	--	(367,485)	(346,385)
Less: Deferred refunding costs	(1,015,220)	(927,405)	--	--	(1,015,220)	(927,405)
Net bonds payable	\$ 61,600,528	\$ 79,232,542	\$ --	\$ --	\$ 61,600,528	\$ 79,232,542
Loans payable	456,385	411,461	--	--	456,385	411,461
Capital lease obligations	8,639,379	8,012,572	2,627,519	2,778,641	11,266,898	10,791,213
Totals	<u>\$ 70,696,292</u>	<u>\$ 87,656,575</u>	<u>\$ 2,627,519</u>	<u>\$ 2,778,641</u>	<u>\$ 73,323,811</u>	<u>\$ 90,435,216</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

DEBT ADMINISTRATION (CONTINUED)

Under current state statutes, the County can issue general obligation debt without referendum whenever the new debt and outstanding balances of existing debt in total do not exceed 8% of taxable assessed values on property located within the County limits. As of June 30, 2013, the amount of new general obligation debt that could be issued without referendum was approximately \$12.3 million. General obligation debt issued pursuant to referendum is not subject to the statutory limitation.

FINANCIAL ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS

Governmental Funds

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

At the end of the County's fiscal year, governmental funds (as presented in the balance sheet on pages 20 and 21 of the financial statements) reported a *combined* fund balance of \$67.1 million, an increase of \$7.8 million compared to last year's total. Of the total \$67.1 million combined fund balance, \$0.5 million is "nonspendable" as it represents assets that are not convertible to cash, for example, prepaid amounts and inventories. Reported in restricted fund balance is \$32.7 million, representing assets that are restricted due to external limitations on its use. This amount includes fund balances of grant funds, funds with dedicated millage adopted for specific uses, funds accounting for revenues generated by legislation enacted for specified purposes, and funds that have balances restricted by provisions of financing instruments. Committed fund balance in the amount of \$145,000 is reported for money set aside by formal action of County Council in response to OCRM requirements regarding the Pawleys Island Groin Project. Another \$24.4 million of the combined fund balance is "assigned," meaning that balances have been earmarked internally for specified purposes. This balance would include the fund balances of virtually all capital projects funds of the County. The remaining "unassigned" fund balance for the governmental funds in the amount of \$9.4 million is basically available for future appropriation and is primarily accounted for in the County's general fund. By policy of County Council, a minimum of \$8.0 million of unassigned fund balance in the general fund is to be maintained to provide a reserve for future emergencies and contingencies as well as to meet cash flow needs that may vary significantly throughout the year.

Proprietary Funds

The County's *proprietary funds* generally provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The County's two proprietary funds are the environmental services fund and the stormwater drainage utility fund. At year-end, net position of the environmental services fund totaled approximately \$11.6 million and net position of the stormwater drainage utility fund totaled about \$7.8 million.

BUDGET HIGHLIGHTS OF THE GENERAL FUND

The *original* general fund budget, as presented in this report, includes the original appropriations authorized by County Council just prior to the start of the fiscal year. Budget amendments are adopted through formal process by County Council for encumbered capital purchases recorded and outstanding at the conclusion of the prior fiscal year. In addition, amendments are enacted by Council, at their discretion, to appropriate additional funds from accumulated fund balances or from new revenues sources that were previously unbudgeted.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

BUDGET HIGHLIGHTS OF THE GENERAL FUND (CONTINUED)

Supplemental appropriations in the amount of \$264,978 were authorized by Council for the general fund during the year. Of that amount, \$152,292 was for "rollover" of previously budgeted funds for encumbrances outstanding at the start of the fiscal year. The supplemental appropriations also included provisions in the amount of \$16,647 for required grant matches.

Total general fund revenues had a positive variance in total from budget by about \$174,000 after considering proceeds from the sale of surplus County assets. However, there were several revenue sources with notable variances from the budget amounts:

- Master in Equity fees – Approximately \$89,000 over budget estimates
- Building permit fees – Approximately \$77,000 over budget estimates
- Utility franchise fees – Approximately \$76,000 over budget estimates
- Documentary stamps – Approximately \$73,000 over budget estimates
- Miscellaneous revenue – Approximately \$66,000 over budget estimates
- Cable franchise fees – Approximately \$53,000 over budget estimates
- Property taxes – Approximately \$276,000 under budget estimates
- Delinquent tax fees – Approximately \$52,000 under budget estimates

Actual expenditures incurred were approximately \$1,033,000 less than appropriated. Significant variances from budget resulted primarily from the following:

- Savings in personnel costs resulting from temporary vacancies and delays in filling positions. These savings totaled approximately \$432,000 for the year.
- Approximately \$165,000 in contingency allowances in the budget was unused as a result of a very concerted effort by employees at all levels to conserve, save and perform more efficiently.
- Approximately \$130,000 in direct assistance was delayed until a future period.
- Numerous positive variances of fairly small amounts individually that when added together result in significant savings against the budgeted appropriations. These kinds of variances are a consequence of budgetary controls that are designed to ensure that expenditures do not exceed budget appropriations and the large volume of individual line-items reported in the General Fund.

Budgetary comparisons for all general fund revenue sources and functional expenditures can be found on pages 59-70 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when developing the fiscal year 2014 budget. Some of the factors considered were the national, state and local economic forecasts for recovery, tourism trends, population growth rates (both in Georgetown County and in surrounding counties), and trend data regarding growth in property tax base and building permits issued. During each of the last three years we realized moderate increases in building permits and relatively strong growth in accommodations and hospitality fees generated from the tourism industry in Georgetown County. These key revenue streams continue to turn in the right direction. In particular, during the last year, we had significant growth in building permits, documentary stamps and impact fees, all of which are indicators of local economic improvement.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

Most revenue sources in the County's fiscal year 2014 budget have been conservatively projected at levels similar to or moderately increased from the prior year. As in recent years, we are uncomfortable in projecting "local government fund" (LGF) distributions from the State. At the time of finalizing the County's budget, the State had not yet determined the LGF allocations to local governments for FY2014. Our provisions were based on best available information and wisdom at the time. We continue to hope that the State legislature will restore full LGF statutory formula funding to local governments in future years as the economy recovers. Property taxes were projected assuming an approximate 1% growth in the tax base. In addition, millage was increased in the general fund, law enforcement fund, and the two County fire districts to the extent allowed by State mandated millage cap restrictions.

In reaction to the impending economic decline several years ago, County Council took cost-cutting measures, including elimination of approximately 23 full-time personnel positions, elimination of cost of living and merit pay adjustments, and a 3% across the board wage reduction for all County employees. It was recognized that a complete economic recovery was likely going to be a long process and total reliance on using unassigned fund balance to solve shortfalls would not be a wise course to follow. Prior to FY 2014, there had been no cost of living or merit pay adjustments for employees since FY2009. To avoid further cuts in personnel, which inevitably would lead to reductions in services levels to the citizens, Council has followed a plan in recent years to strategically supplement current revenues with use of unrestricted fund balances in excess of reserve policy established amounts.

Employee pay was one of the biggest issues considered during the development of the FY2014 budget. With indications that the economy was beginning to improve, Council felt that employees deserved some relief from the squeeze on compensation over recent years and approved the millage increases described earlier and authorized an immediate 5% across the board pay increase to all employees. They further pledged to have a compensation study performed during FY2014 to identify any lags in pay scales that may put the County at a competitive disadvantage in attracting and retaining well qualified employees.

All budget requests continue to be closely reviewed and analyzed at the line-item level to identify every possible savings available. As in recent years, Council has approved some use, approximately \$205,000, of unassigned fund balance in the General Fund to balance the FY2014 budget and, in particular, to provide additional funding for the pay increases mentioned above. This action was only taken, however, after a comprehensive long-term financial projection indicated that previously established minimum levels of unassigned fund balance can be maintained over the long-term.

As a result of Council's decisive actions described above, combined with continually updated long-term financial projections, fund balance of the General Fund remains strong. At year-end, amounts available in the General Fund for future appropriation are approximately \$9.6 million, an increase of \$0.5 million from the prior year. Council has adopted fund balance policies, which require a minimum of \$8.0 million of unassigned fund balance in the General Fund to be maintained to provide a reserve for future emergencies and contingencies as well as to meet cash flow needs that may vary significantly throughout the year.

Significant provisions included in the fiscal year 2014 budget include:

- Tax millage increases in the general fund, law enforcement fund, and the two County fire district funds.
- Continuation of the Capital Equipment Replacement Fund ("CERF") that was created to provide for funding, acquisition and debt service related to the County's vehicle and major equipment replacement needs. Each governmental fund makes annual transfers to the CERF in amounts that are reasonably stable from year-to-year and sufficient to provide for fleet replacement on a prudent predetermined basis.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

- Further implementation of the County's Visions II Capital Improvement Plan (CIP). Some of the more significant segments planned for the upcoming year include:
 - Completion of construction of eight recreational parks.
 - Completion of building expansion for the Emergency Operations Center/E911 Office operations.
 - Completion of remodeling work on the "Old" County Courthouse facility allowing for alternative utilization by County staff.
 - Begin construction of a new Waccamaw Neck Library.
 - Begin construction of a new Murrells Inlet Community Center.
 - Renovation of the old Howard School auditorium and gym.
 - Renovation of the Litchfield Exchange building to house satellite offices for the magistrate and sheriff.
- Construction of additional stormwater utility improvements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Finance Department at: 129 Screven Street, Georgetown, South Carolina 29442.

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Basic Financial Statements

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 59,636,921	\$ 8,824,064	\$ 68,460,985
Receivables (net of allowances)			
Taxes	1,581,034	48,235	1,629,269
Court fines	175,869	-	175,869
From customers	-	167,327	167,327
From other governments	2,003,579	-	2,003,579
Other	1,111,233	43,680	1,154,913
Deferred charges	1,146,436	-	1,146,436
Prepaid items	448,409	27,397	475,806
Inventories	48,145	-	48,145
Assets held for resale	3,456,717	-	3,456,717
Restricted assets			
Cash and investments	5,690,063	6,914,499	12,604,562
Capital assets			
Land and construction in progress	58,656,304	1,532,345	60,188,649
Other capital assets, net of accumulated depreciation	71,007,942	12,491,044	83,498,986
Total Assets	<u>204,962,652</u>	<u>30,048,591</u>	<u>235,011,243</u>
Liabilities			
Payables			
Trade and other accounts	3,618,568	410,850	4,029,418
Accrued wages and benefits	896,431	67,142	963,573
Accrued interest payable	290,521	-	290,521
Other	315,987	-	315,987
Unearned revenue	1,018,346	-	1,018,346
Noncurrent liabilities			
Due within one year	5,820,459	834,577	6,655,036
Due in more than one year	87,877,193	9,305,633	97,182,826
Total Liabilities	<u>99,837,505</u>	<u>10,618,202</u>	<u>110,455,707</u>
Net Position			
Net investment in capital assets	65,704,116	11,244,760	76,948,876
Restricted for:			
General government programs	303,918	-	303,918
Public safety programs	695,717	-	695,717
Public works programs	4,298,415	-	4,298,415
Health & welfare programs	511,252	-	511,252
Culture & recreation programs	2,073,732	-	2,073,732
Economic development programs	6,133,845	-	6,133,845
Debt service	16,160,374	-	16,160,374
Unrestricted	9,243,778	8,185,629	17,429,407
Total Net Position	<u>\$ 105,125,147</u>	<u>\$ 19,430,389</u>	<u>\$ 124,555,536</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General government	\$ 15,441,484	\$ 502,053	\$ -	\$ (11,883,806)	\$ -	\$ (11,883,806)
Public safety	23,466,527	1,122,809	166,681	(21,096,064)	-	(21,096,064)
Public works	3,040,324	526,343	-	(2,513,981)	-	(2,513,981)
Health and welfare	1,739,725	125,575	-	975,071	-	975,071
Economic development	2,337,306	826,179	98,900	(1,259,586)	-	(1,259,586)
Culture and recreation	5,685,356	1,783,065	61,247	(3,624,815)	-	(3,624,815)
Environmental services	66,935	66,935	-	-	-	-
Interest and other charges on debt	3,395,059	-	-	(3,395,059)	-	(3,395,059)
Total Governmental Activities	55,172,716	4,952,959	326,828	(42,798,240)	-	(42,798,240)
Business-Type Activities:						
Environmental services	5,626,059	25,000	5,000	-	(2,477,678)	(2,477,678)
Stormwater management services	657,589	-	-	-	906,192	906,192
Total Business-Type Activities	6,283,648	25,000	5,000	-	(1,571,486)	(1,571,486)
Totals	\$ 61,456,364	\$ 4,977,959	\$ 331,828	(42,798,240)	(1,571,486)	(44,369,726)
General Revenue						
Property taxes, levied for general purposes				33,922,142	2,622,799	36,544,941
Local accommodations and hospitality taxes				3,983,372	-	3,983,372
State shared local government fund revenues				2,212,951	-	2,212,951
Federal interest subsidy on Build America Bonds				654,801	-	654,801
Franchise fees				1,149,269	-	1,149,269
Road user fees				1,671,780	-	1,671,780
E911 system user fees				401,834	-	401,834
Impact fees (restricted)				1,121,748	-	1,121,748
Unrestricted investment earnings				19,980	13,405	33,385
Other				616,601	25,393	641,994
Gain on disposal of property				168,272	78,660	246,932
Transfers				247,650	(247,650)	-
Total General Revenue and Transfers				46,170,400	2,492,607	48,663,007
Change in Net Position				3,372,160	921,121	4,293,281
Net Position - Beginning of Year				101,752,987	18,509,268	120,262,255
Net Position - End of Year				\$ 105,125,147	\$ 19,430,389	\$ 124,555,536

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2013

	<u>General Fund</u>	<u>Law Enforcement Fund</u>	<u>Debt Service Fund</u>
ASSETS			
Cash and investments	\$ 10,482,947	\$ 2,008,148	\$ 10,334,207
Receivables (net of allowances)			
Taxes	453,570	162,412	104,809
Court fines	-	175,869	-
From other governments	546,414	-	321
From other County funds	717,160	-	-
Other	824,942	242,756	-
Prepaid items	138,739	100,195	-
Inventory	48,145	-	-
Assets held for resale	-	-	-
Restricted assets			
Cash and investments	-	-	5,668,090
Total Assets	<u>\$ 13,211,917</u>	<u>\$ 2,689,380</u>	<u>\$ 16,107,427</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Trade and other accounts	\$ 608,688	\$ 343,266	\$ -
Accrued wages and benefits	495,857	231,641	-
To other County funds	-	-	-
Other	315,987	-	-
Deferred revenue			
Property taxes	410,183	137,617	91,173
Fines	-	175,870	-
Grants	-	-	-
Ambulance fees	236,005	-	-
Other	839,616	-	-
Total Liabilities	<u>2,906,336</u>	<u>888,394</u>	<u>91,173</u>
Fund Balances			
Nonspendable			
Prepaid items	138,739	100,195	-
Inventory	48,145	-	-
Restricted for:			
General government programs	-	-	-
Public safety programs	-	1,700,791	-
Public works programs	-	-	-
Health & welfare programs	-	-	-
Culture & recreation programs	-	-	-
Economic development programs	-	-	-
Debt service	-	-	16,016,254
Committed	145,000	-	-
Assigned for:			
General government programs	351,112	-	-
Capital improvements	-	-	-
Unassigned	9,622,585	-	-
Total Fund Balances	<u>10,305,581</u>	<u>1,800,986</u>	<u>16,016,254</u>
Total Liabilities and Fund Balances	<u>\$ 13,211,917</u>	<u>\$ 2,689,380</u>	<u>\$ 16,107,427</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2013

	<u>Capital Improvement Plan Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 21,525,523	\$ 15,286,096	\$ 59,636,921
Receivables (net of allowances)			
Taxes	-	860,243	1,581,034
Court fines	-	-	175,869
From other governments	72,239	1,384,605	2,003,579
From other County funds	-	-	717,160
Other	-	43,535	1,111,233
Prepaid items	-	209,475	448,409
Inventory	-	-	48,145
Assets held for resale	-	3,456,717	3,456,717
Restricted assets			
Cash and investments	-	21,973	5,690,063
Total Assets	<u><u>\$ 21,597,762</u></u>	<u><u>\$ 21,262,644</u></u>	<u><u>\$ 74,869,130</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Trade and other accounts	\$ 1,611,645	\$ 1,054,969	\$ 3,618,568
Accrued wages and benefits	-	168,933	896,431
To other County funds	-	717,160	717,160
Other	-	-	315,987
Deferred revenue			
Property taxes	-	131,226	770,199
Fines	-	-	175,870
Grants	128,232	50,498	178,730
Ambulance fees	-	-	236,005
Other	-	-	839,616
Total Liabilities	<u><u>1,739,877</u></u>	<u><u>2,122,786</u></u>	<u><u>7,748,566</u></u>
Fund Balances			
Nonspendable			
Prepaid items	-	209,475	448,409
Inventory	-	-	48,145
Restricted for:			
General government programs	-	292,496	292,496
Public safety programs	-	1,566,927	3,267,718
Public works programs	-	4,308,081	4,308,081
Health & welfare programs	-	552,174	552,174
Culture & recreation programs	-	2,073,732	2,073,732
Economic development programs	-	6,170,025	6,170,025
Debt service	-	-	16,016,254
Committed	-	-	145,000
Assigned for:			
General government programs	-	-	351,112
Capital improvements	19,857,885	4,233,811	24,091,696
Unassigned	-	(266,863)	9,355,722
Total Fund Balances	<u><u>19,857,885</u></u>	<u><u>19,139,858</u></u>	<u><u>67,120,564</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 21,597,762</u></u>	<u><u>\$ 21,262,644</u></u>	<u><u>\$ 74,869,130</u></u>

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

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COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**
June 30, 2013

Total Fund Balances of Governmental Funds (reported on page 21)	\$ 67,120,564
<i>Amounts reported for governmental activities in the government-wide statement of net position presented on page 18 are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	129,664,246
Other long-term assets, such as property taxes receivable, court fines receivable, and ambulance fees receivable are not available to pay current period expenditures and, therefore, are deferred or not recognized in the governmental funds.	1,182,074
Bond issuance costs are recognized in the governmental funds when paid, but are deferred and amortized over the life of the bonds in the government-wide statement of net position.	1,146,436
Long-term liabilities, including bonds payable (net of unamortized premiums, discounts and deferred refunding costs), loans, capital leases, net OPEB obligation, compensated absences and accrued interest, are not due and payable in the current period or are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.	(93,988,173)
Net Position of Governmental Activities (reported on page 18)	<u>\$ 105,125,147</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Law Enforcement Fund</u>	<u>Debt Service Fund</u>
Revenues			
Property taxes	\$ 14,361,449	\$ 8,185,795	\$ 4,546,646
Local taxes			
Accommodations	-	-	-
Hospitality	-	-	-
Fees, licenses and permits	6,125,287	242,984	897,671
Fines and forfeitures	128,516	480,858	-
Use of money and property	230,375	1,770	(14,301)
Intergovernmental	2,550,065	240,319	654,801
Grants	38,883	268,571	-
Other	382,226	145,580	-
Total Revenues	<u>\$ 23,816,801</u>	<u>\$ 9,565,877</u>	<u>\$ 6,084,817</u>
Expenditures			
Current			
General government	\$ 12,362,832	\$ -	\$ -
Public safety	3,214,853	10,838,609	-
Public works	1,856,409	-	-
Health & welfare	602,169	-	-
Economic development	225,136	-	-
Culture & recreation	3,543,488	-	-
Environmental services	-	-	-
Capital Outlay			
General government	-	-	-
Public safety	-	108,370	-
Public works	-	-	-
Economic development	9,191	-	-
Culture & recreation	11,408	-	-
Debt Service			
Principal	157,974	42,421	2,730,000
Interest	44,998	12,101	3,134,563
Debt issuance costs	-	-	-
Fiscal charges	-	-	12,369
Total Expenditures	<u>\$ 22,028,458</u>	<u>\$ 11,001,501</u>	<u>\$ 5,876,932</u>
Excess (Deficiency) of Revenues Over Expenditures	1,788,343	(1,435,624)	207,885
Other Financing Sources (Uses)			
Bond proceeds	-	-	-
Bond premium received	-	-	-
Proceeds from capital lease financing	-	-	-
Proceeds from sale of assets	40,459	45,615	-
Transfers in	1,686,938	2,002,000	-
Transfers out	(2,898,630)	(430,000)	-
Total Other Financing Sources (Uses)	<u>(1,171,233)</u>	<u>1,617,615</u>	<u>-</u>
Net Changes in Fund Balances	617,110	181,991	207,885
Fund Balances - Beginning of Year	9,688,471	1,618,995	15,808,369
Fund Balances - End of Year	<u><u>\$ 10,305,581</u></u>	<u><u>\$ 1,800,986</u></u>	<u><u>\$ 16,016,254</u></u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2013

	<u>Capital Improvement Plan Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ -	\$ 6,830,191	\$ 33,924,081
Local taxes			
Accommodations	-	1,789,738	1,789,738
Hospitality	-	2,193,634	2,193,634
Fees, licenses and permits	-	3,053,160	10,319,102
Fines and forfeitures	-	-	609,374
Use of money and property	12,564	46,685	277,093
Intergovernmental	132,678	1,960,222	5,538,085
Grants	212,472	2,241,768	2,761,694
Other	-	246,194	774,000
Total Revenues	\$ 357,714	\$ 18,361,592	\$ 58,186,801
Expenditures			
Current			
General government	\$ 125	\$ 763,515	\$ 13,126,472
Public safety	710	6,487,509	20,541,681
Public works	-	208,972	2,065,381
Health & welfare	-	909,444	1,511,613
Economic development	-	1,091,717	1,316,853
Culture & recreation	-	1,181,565	4,725,053
Environmental services	-	66,935	66,935
Capital Outlay			
General government	526,683	39,886	566,569
Public safety	1,398,679	2,110,777	3,617,826
Public works	37,175	2,769,759	2,806,934
Economic development	-	191,551	200,742
Culture & recreation	12,918,499	604,957	13,534,864
Debt Service			
Principal	-	1,602,497	4,532,892
Interest	-	159,224	3,350,886
Debt issuance costs	350,045	-	350,045
Fiscal charges	-	-	12,369
Total Expenditures	\$ 15,231,916	\$ 18,188,308	\$ 72,327,115
Excess (Deficiency) of Revenues Over Expenditures	(14,874,202)	173,284	(14,140,314)
Other Financing Sources (Uses)			
Bond proceeds	18,400,000	-	18,400,000
Bond premium received	1,967,599	-	1,967,599
Proceeds from capital lease financing	-	1,131,161	1,131,161
Proceeds from sale of assets	14,000	121,098	221,172
Transfers in	18,729,216	1,811,399	24,229,553
Transfers out	(14,522,596)	(6,130,677)	(23,981,903)
Total Other Financing Sources (Uses)	24,588,219	(3,067,019)	21,967,582
Net Changes in Fund Balances	9,714,017	(2,893,735)	7,827,268
Fund Balances - Beginning of Year	10,143,868	22,033,593	59,293,296
Fund Balances - End of Year	\$ 19,857,885	\$ 19,139,858	\$ 67,120,564

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

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COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended June 30, 2013

Net Change in Fund Balances of Governmental Funds (reported on page 25) **\$ 7,827,268**

Amounts reported for governmental activities in the government-wide statement of activities presented on page 19 are different because:

Governmental funds report capital asset acquisition costs as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital asset acquisition costs (\$20,510,251) exceeded depreciation expense (\$7,380,212) in the current period. 13,130,039

Gain on disposal of assets reported in the statement of activities (\$168,272) differs from the proceeds from sale of assets reported in governmental funds (\$221,172) by the book value of the assets disposed of. (52,900)

Revenues in the statement of activities, such as property taxes, ambulance fees, and police fines, that will not be collected for several months after year end, and do not provide current financial resources, are not reported as revenues in the governmental funds. (57,847)

The issuance of long-term debt (e.g., bonds, loans and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the full amount of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (16,615,823)

Annual OPEB costs (\$1,219,305) are recorded in the Statement of Activities while only OPEB contributions (\$393,722) are recorded in the governmental funds. This amount is the net effect of differences in treatment of OPEB costs. (825,583)

Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums, issuance costs, and refunding costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (32,994)

Change in Net Position of Governmental Activities (reported on page 19) **\$ 3,372,160**

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Position

Proprietary Funds
June 30, 2013

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Assets			
Current Assets			
Cash and investments	\$ 3,190,738	\$ 5,633,326	\$ 8,824,064
Receivables (net of allowances)			
Taxes	48,235	-	48,235
From customers	135,932	31,395	167,327
Other	43,680	-	43,680
Pepaid items	26,534	863	27,397
	<u>3,445,119</u>	<u>5,665,584</u>	<u>9,110,703</u>
Noncurrent Assets			
Restricted assets			
Cash and investments	6,914,499	-	6,914,499
Capital assets			
Land	740,718	-	740,718
Improvements	13,268,209	2,071,274	15,339,483
Buildings	417,150	-	417,150
Mining rights	225,000	-	225,000
Software	-	70,623	70,623
Machinery and equipment	5,804,820	33,721	5,838,541
Automotive equipment	2,842,393	49,527	2,891,920
Construction-in-progress	-	791,627	791,627
Accumulated depreciation	(11,717,541)	(574,132)	(12,291,673)
	<u>18,495,248</u>	<u>2,442,640</u>	<u>20,937,888</u>
Total Assets	21,940,367	8,108,224	30,048,591
Liabilities			
Current Liabilities			
Payables			
Trade and other accounts	223,467	187,383	410,850
Accrued wages and benefits	56,157	10,985	67,142
Capital leases	677,786	-	677,786
Liability for compensated absences	76,567	10,524	87,091
Liability for landfill closure and postclosure costs	69,700	-	69,700
	<u>1,103,677</u>	<u>208,892</u>	<u>1,312,569</u>
Noncurrent Liabilities			
Net OPEB obligation	303,997	51,398	355,395
Capital leases	2,100,855	-	2,100,855
Liability for compensated absences	4,030	554	4,584
Liability for landfill closure and postclosure costs	6,844,799	-	6,844,799
	<u>9,253,681</u>	<u>51,952</u>	<u>9,305,633</u>
Total Liabilities	10,357,358	260,844	10,618,202
Net Position			
Net investment in capital assets	8,802,120	2,442,640	11,244,760
Unrestricted	2,780,889	5,404,740	8,185,629
Total Net Position	\$ 11,583,009	\$ 7,847,380	\$ 19,430,389

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

For the Year Ended June 30, 2013

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Operating Revenues			
Charges for sales and services			
Landfill tipping fees	\$ 1,414,834	\$ -	\$ 1,414,834
Household fees	1,436,041	-	1,436,041
Stormwater drainage fees and penalties	-	1,563,781	1,563,781
Sale of recyclables	189,191	-	189,191
Nonresidential roll-out fees	13,992	-	13,992
Waste tire fees	28,339	-	28,339
Methane gas sales	34,143	-	34,143
Other	1,841	-	1,841
Property taxes			
Current real and personal	2,281,206	-	2,281,206
Vehicles	134,005	-	134,005
Delinquent	34,956	-	34,956
Payments in lieu of tax	46,905	-	46,905
Homestead exemption	58,599	-	58,599
Motor carrier	6,433	-	6,433
Manufacturers reimbursement	41,116	-	41,116
Tax penalties	19,579	-	19,579
Grants and contributions	30,000	-	30,000
Total Operating Revenue	<u>\$ 5,771,180</u>	<u>\$ 1,563,781</u>	<u>\$ 7,334,961</u>
Operating Expenses			
Personal services	\$ 1,688,154	\$ 327,551	\$ 2,015,705
Operations and maintenance			
Supplies and materials	1,160,860	32,570	1,193,430
Other charges and services	716,368	166,003	882,371
Depreciation	1,586,699	131,465	1,718,164
Landfill closure and postclosure	399,680	-	399,680
Total Operating Expenses	<u>\$ 5,551,761</u>	<u>\$ 657,589</u>	<u>\$ 6,209,350</u>
Operating Income (Loss)	219,419	906,192	1,125,611
Nonoperating Revenues (Expenses)			
Gain (loss) on disposal of capital assets	78,660	-	78,660
Investment earnings	8,537	4,868	13,405
Miscellaneous	25,008	385	25,393
Interest expense	(74,298)	-	(74,298)
Total Nonoperating Revenues (Expenses)	<u>37,907</u>	<u>5,253</u>	<u>43,160</u>
Income (Loss) Before Capital Contributions and Transfers	257,326	911,445	1,168,771
Transfers Out	(77,650)	(170,000)	(247,650)
Changes in Net Position	179,676	741,445	921,121
Total Net Position - Beginning of Year	11,403,333	7,105,935	18,509,268
Total Net Position - End of Year	<u>\$ 11,583,009</u>	<u>\$ 7,847,380</u>	<u>\$ 19,430,389</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2013

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Cash Flows of Operating Activities			
Receipts from customers and users	\$ 3,115,675	\$ 1,595,134	\$ 4,710,809
Receipts from taxpayers	2,625,405	-	2,625,405
Other receipts	56,849	385	57,234
Payments to or on behalf of employees	(1,652,497)	(315,313)	(1,967,810)
Payments to suppliers for goods and services	(1,816,218)	(79,361)	(1,895,579)
Net Cash Provided (Used) by Operating Activities	<u>2,329,214</u>	<u>1,200,845</u>	<u>3,530,059</u>
Cash Flows of Noncapital Financing Activities			
Transfers to governmental funds	(77,650)	(170,000)	(247,650)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(77,650)</u>	<u>(170,000)</u>	<u>(247,650)</u>
Cash Flows of Capital and Related Financing Activities			
Proceeds from sale of capital assets	78,660	-	78,660
Proceeds from capital lease financing	764,329	-	764,329
Principal paid on capital lease financing	(613,207)	-	(613,207)
Interest paid on capital lease financing	(74,298)	-	(74,298)
Purchase or construction of capital assets	(1,270,222)	(543,159)	(1,813,381)
Landfill postclosure costs paid	(58,275)	-	(58,275)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,173,013)</u>	<u>(543,159)</u>	<u>(1,716,172)</u>
Cash Flows of Investing Activities			
Earnings on deposits and investments	8,537	4,868	13,405
Net Cash Provided (Used) by Investing Activities	<u>8,537</u>	<u>4,868</u>	<u>13,405</u>
Net Increase in Cash and Cash Equivalents	1,087,088	492,554	1,579,642
Cash and Cash Equivalents - Beginning of Year	9,018,149	5,140,772	14,158,921
Cash and Cash Equivalents - End of Year	<u>\$ 10,105,237</u>	<u>\$ 5,633,326</u>	<u>\$ 15,738,563</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2013

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 219,419	\$ 906,192	\$ 1,125,611
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,586,699	131,465	1,718,164
Landfill closure and postclosure costs	399,680	-	399,680
Decreases (increases) in current assets			
Customer and other accounts receivable	(865)	31,353	30,488
Property taxes receivable	2,606	-	2,606
Prepaid items	(2,619)	21	(2,598)
Increases (decreases) in current liabilities			
Trade accounts payable (exclusive of capital items)	63,629	119,191	182,820
Accrued wages and benefits payable	(1,516)	(125)	(1,641)
Liability for compensated absences	(5,841)	2,343	(3,498)
Increases (decreases) in noncurrent liabilities			
Net OPEB obligation	43,321	9,897	53,218
Compensated absences	(307)	123	(184)
Miscellaneous receipts	25,008	385	25,393
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,329,214</u>	<u>\$ 1,200,845</u>	<u>\$ 3,530,059</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2013

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 8,789,545
Total Assets	<u><u>\$ 8,789,545</u></u>
Liabilities	
Due to other taxing entities	\$ 3,301,715
Due to Georgetown County Water & Sewer District	4,093
Due to estate and trust beneficiaries	1,816,521
Due to bidders and redeemers on tax sales	2,438,212
Due to plaintiffs	1,636
Due to payors of bonds and fines	739,314
Due to South Carolina Department of Revenue	92,160
Due to support recipients	39,818
Due to seized asset beneficiaries	188,338
Due to South Carolina Department of Highways	20,032
Due to others	147,706
Total Liabilities	<u><u>\$ 8,789,545</u></u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note I - Summary of Significant Accounting Policies

The financial statements of the County of Georgetown, South Carolina have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. Potential component units are legally separate organizations for which the elected officials of the County might be considered to be financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, based on Statement No. 39 of the Governmental Accounting Standards Board. The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents; it follows that an accountability perspective should provide the basis for defining the financial reporting entity. In accordance with that concept, the Georgetown County financial reporting entity consists only of the departments and funds of the County, the primary government; no other separate entities have been included in the reporting entity (and these financial statements) because the County is not financially accountable for any other separate organizations, and there are no other organizations for which the nature and significance of their relationship with the County is such that exclusion would cause the financial statements to be misleading or incomplete.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County as a whole. For the most part, the effect of interfund activity (other than for services provided and used) within the governmental and business-type columns 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.

In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis. The County's net position is reported in three parts: 1) net position invested in capital assets, net of related debt, 2) restricted net position, and 3) unrestricted net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in each of the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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 collectible 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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, court fines, State aid and shared taxes, ambulance fees, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

General Fund: The General Fund is the primary operating fund of the County. The General fund accounts for all financial resources except those that are required to be reported in another fund.

Law Enforcement Fund: The Law Enforcement Fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are collected for the purpose of providing law enforcement protection services for Georgetown County.

Debt Service Fund: The Debt Service Fund accounts for revenues collected for the purpose of servicing the County's outstanding debt.

Capital Improvement Plan (CIP) Projects Fund: To account for funds, including bond proceeds, segregated and earmarked for the County's "Visions II" Capital Improvement Plan, along with the associated costs of the individual CIP projects.

The County reports the following major proprietary funds:

Environmental Services Fund (Enterprise Fund): The Environmental Services Fund is used to account for the operations of the County landfill along with related solid waste management functions such as waste collection, recycling, and composting. Also includes mosquito control activities. This fund is funded from a combination of user fees and property taxes.

Stormwater Drainage Utility Fund (Enterprise Fund): The Stormwater Drainage Utility Fund is used to account for the operations of the County's stormwater drainage management program. This fund is funded by user fees and nonoperating grants.

Additionally, the County reports the following fiduciary fund type:

Agency Fund: This fund type is used to report resources held by the County in a custodial capacity as an agent on behalf of others and does not involve the measurement of results of operation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are user fees collected in association with the provision of waste collection and disposal services (Environmental Services Fund) and stormwater drainage management (Stormwater Drainage Utility Fund). Operating revenues of the Environmental Services Fund also include property taxes. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

Investments for the government are reported at fair value.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from 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."

Receivables

All accounts and property tax receivables are shown at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. This amount is determined by analyzing the percentage of receivables that was not collected in prior years.

Property taxes for real property and personal property except motor vehicles are due without penalties by January 15th of each fiscal year. Uncollected taxes and penalties are considered delinquent on March 15th. Property taxes for motor vehicles are due in the month in which the state motor vehicle license will be renewable. Property tax revenues are recognized in accordance with imposed nonexchange transactions in accordance with GASB No. 33.

Inventories and Prepaid Items

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount of inventories on hand at year end for the governmental fund types consist of postage, park passes, refrigerant, emergency preparedness supplies, and diesel fuel. Inventories are valued at cost using the average cost method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Restricted Assets

Certain assets of debt service, special revenue and enterprise funds are classified as restricted on the balance sheet because their use is limited to specific purposes for which the funds were received.

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as 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. Construction in progress represents funds expended for construction of capital assets which have not been placed into service.

Property, plant, and equipment of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements	5-25
Buildings	8-20
Infrastructure	20-35
Mining Rights	5-15
Software	3-5
Furniture & Fixtures	5-10
Machinery & Equipment	3-10
Automotive Equipment	3-10

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenues

Deferred revenues arise when a potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium, discount, and deferred refunding costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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

Nonexchange Transactions

The standards established by GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*," provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

Assets from derived tax revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever occurs first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from imposed nonexchange revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from government-mandated and voluntary nonexchange transactions are generally recognized when all eligibility requirements have been met. Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

- The recipient has the characteristics specified by the provider.
- Time requirements specified by the provider have been met.
- The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
- The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Net Position/Fund Balances

Net position is defined as the difference between assets and liabilities in the government-wide statement of net position. The County's net position in the government-wide financial statements and proprietary fund financial statements is then classified as follows :

Investment in Capital Assets: This represents the County's total investment in capital assets, net of accumulated depreciation and net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position: Restricted expendable net position includes resources in which the County is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Unrestricted Net Position: Unrestricted net position represents resources derived from ad-valorem taxes, earnings on investments, state/local grants, fees, and shared revenues.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The requirements of this Statement became effective for financial statements for periods beginning after June 15, 2010.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

The following categories of fund balance are used in the governmental fund financial statements:

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, or 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 and prepaid amounts. It also includes the long-term amounts of loans and notes receivable, as well as property acquired for resale.

Restricted Fund Balance

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The County recognizes committed fund balances only when they have been approved for specific purposes by County Council before the fiscal year end.

Assigned Fund Balance

The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the County's highest level of decision-making authority and as such, the nature of actions necessary to remove or modify an assignment does not require the County's highest level of authority. In the special revenue funds and capital projects funds, assigned fund balances represent amounts that have been earmarked for specific purposes.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned for specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned balance.

Based on the County's practices regarding fund balance classifications as noted above, the County considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditures that have been designated by County Council or donors have been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

Fund Balance Policy

By policy of County Council, it is required that a minimum unassigned fund balance be maintained in the General Fund in the amount of \$8,000,000, or 35% of the annual budget, whichever is greater. Unassigned fund balances equal to 10% of annual budget amounts are required to be maintained in the Law Enforcement, County Fire, Midway Fire, Bureau of Aging Services, and Economic Development funds.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County's investment policy requires deposits in excess of federal depository insurance to be collateralized with securities of the federal government, or its agencies, and held by the pledging financial institution's trust department in the County's name. As of June 30, 2013, none of the County's bank balances of \$55,760,423, which had a carrying value of \$59,378,833, were exposed to custodial credit risk. Petty cash on hand totaled \$13,682.

Investments

The County's investment policies are limited by State statutes which authorize the County to invest in obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, savings and loan associations to the extent secured by an agency of the federal government, and certificates of deposit and repurchase agreements when collateralized by securities of the type described above. Certain other limited investments are authorized by the statutes when made by financial institutions acting as trustee or agent with respect to debt issues of the County. The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The County is under no contractual agreements that further restrict investment alternatives. The County's investment policy does not address custodial credit risk, credit risk, or concentration of credit risk as they may pertain to its investment portfolio. There were no County investments exposed to any of these identified credit risks at year-end.

As of June 30, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
South Carolina Local Government Investment Pool (SCLGIP)	\$ 26,810,947	Less than One Year
Municipal Bonds (Debt Service Reserve Investments)	<u>3,651,630</u>	2021 through 2027
Total	<u>\$ 30,462,577</u>	

Note 3 - Receivables

Receivables at June 30, 2013, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Taxes Receivable, Net			
Property Taxes Receivable	\$ 875,695	\$ 48,235	\$ 923,930
Local Accommodations & Hospitality Tax	<u>705,339</u>	<u>--</u>	<u>705,339</u>
	<u>1,581,034</u>	<u>48,235</u>	<u>1,629,269</u>
Court Fines Receivable, Net	<u>175,869</u>	<u>--</u>	<u>175,869</u>
	<u>175,869</u>	<u>--</u>	<u>175,869</u>
Due from Other Governments			
Grants	390,110	--	390,110
Local Government Fund	474,681	--	474,681
State Accommodations Tax	157,511	--	157,511
C-Funds	404,618	--	404,618
E911 Telephone System Fees & Reimb	444,593	--	444,593
Various Other	<u>132,066</u>	<u>--</u>	<u>132,066</u>
	<u>2,003,579</u>	<u>--</u>	<u>2,003,579</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 3 - Receivables (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Due from Customers, Net			
Landfill Fees Receivable	--	135,932	135,932
Stormwater Fees Receivable	--	<u>31,395</u>	<u>31,395</u>
	--	<u>167,327</u>	<u>167,327</u>
Other Receivables, Net			
EMS Billings	570,054	--	570,054
Prisoner Housing	41,885	--	41,885
Hangar Rent	32,772	--	32,772
Reimbursement for SRO's	195,626	--	195,626
Franchise Fees	89,459	--	89,459
Insurance Claims	64,456	--	64,456
BOAS Contractual Service Reimbursements	24,251	--	24,251
Various Other	<u>92,730</u>	<u>43,680</u>	<u>136,410</u>
	<u>1,111,233</u>	<u>43,680</u>	<u>1,154,913</u>
Total Receivables	<u>\$ 4,871,715</u>	<u>\$ 259,242</u>	<u>\$ 5,130,957</u>

Property taxes receivable that do not meet the availability requirement have been recorded as deferred revenue in the fund financial statements. Allowances for uncollectible property taxes have been recorded in the governmental activities in the amount of \$875,695 and \$48,235 in the business type activities.

An allowance for uncollectible court fines of \$449,334 and an allowance for uncollectible EMS fees of \$4,294,840 have been recorded in the governmental activities. An allowance for uncollectible landfill tipping fees of \$81,478 and an allowance for uncollectible stormwater fees of \$31,395 have been recorded in the business-type activities.

Note 4 - Restricted Assets

The County has recorded restricted cash and investments totaling \$5,690,063 in the governmental funds for the following:

Murrells Inlet Revitalization - MI 2020	\$ 21,973
Impact Fees	815,318
Bond Debt Service Reserve Funds	<u>4,852,772</u>
	<u>\$ 5,690,063</u>

The County has recorded cash as restricted in the amount of \$6,914,499 in the Environmental Services (Business-Type) Proprietary Enterprise Fund, as these funds are restricted for landfill closure and post closure care costs.

Note 5 - Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2013, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 717,160	\$ --
Nonmajor Special Revenue Funds (eliminated)	--	<u>717,160</u>
	<u>\$ 717,160</u>	<u>\$ 717,160</u>

These interfund balances are eliminated in the Statement of Net Position.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 6 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 22,785,504	\$	\$ (42,691)	\$ 22,742,813
Construction in Progress	<u>21,802,265</u>	<u>16,602,448</u>	<u>(2,491,222)</u>	<u>35,913,491</u>
Total, not being Depreciated	<u>\$ 44,587,769</u>	<u>\$ 16,602,448</u>	<u>\$ (2,533,913)</u>	<u>\$ 58,656,304</u>
Capital Assets, being Depreciated:				
Improvements	\$ 26,824,321	\$ 84,430	\$ --	\$ 26,908,751
Buildings	53,272,869	--	--	53,272,869
Infrastructure	22,308,500	1,275,975	--	23,584,475
Software	80,700	444,406	--	525,106
Furniture & Fixtures	763,083	--	--	763,083
Machinery & Equipment	18,624,503	2,299,590	(5,076)	20,919,017
Automotive Equipment	<u>19,951,568</u>	<u>2,288,637</u>	<u>(305,611)</u>	<u>21,934,594</u>
Total, being Depreciated	<u>141,825,544</u>	<u>6,393,038</u>	<u>(310,687)</u>	<u>147,907,895</u>
Less Accumulated Depreciation for:				
Improvements	(12,865,510)	(1,395,643)	--	(14,261,153)
Buildings	(23,562,354)	(2,283,703)	--	(25,846,057)
Infrastructure	(5,094,409)	(648,465)	--	(5,742,874)
Software	(59,834)	(16,140)	--	(75,974)
Furniture & Fixtures	(416,976)	(49,444)	--	(466,420)
Machinery & Equipment	(13,720,185)	(1,504,627)	5,076	(15,219,736)
Automotive Equipment	<u>(14,106,938)</u>	<u>(1,482,190)</u>	<u>301,389</u>	<u>(15,287,739)</u>
Total Accumulated Depreciation	<u>(69,826,206)</u>	<u>(7,380,212)</u>	<u>306,465</u>	<u>(76,899,953)</u>
Total, being Depreciated, Net	<u>\$ 71,999,338</u>	<u>\$ (987,174)</u>	<u>\$ (4,222)</u>	<u>\$ 71,007,942</u>
Total Governmental Activities, Net	<u>\$ 116,587,107</u>	<u>\$ 15,615,274</u>	<u>\$ (2,538,135)</u>	<u>\$ 129,664,246</u>

Construction in progress in the amount of \$2,485,235 was reclassified upon completion to machinery and equipment in the amount of \$1,089,136, software in the amount of \$444,406, and infrastructure in the amount of \$951,693. Assets totaling \$359,365, with accumulated depreciation of \$306,465, were sold, or otherwise disposed of, for \$175,438 resulting in a gain on disposal of capital assets of \$122,538. There were no other capital asset disposals or capital asset donations. Capital outlay reported in the governmental funds statement of revenues, expenditures and changes in fund balances includes \$216,684 that did not meet criteria to be capitalized.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 6 - Capital Assets (continued)

Capital asset activity for the year ended June 30, 2013, was as follows for business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$ 740,718	\$ --	\$ --	\$ 740,718
Construction in Progress	<u>271,402</u>	<u>530,545</u>	<u>(10,320)</u>	<u>791,627</u>
Total, not being Depreciated	<u>\$ 1,012,120</u>	<u>\$ 530,545</u>	<u>\$ (10,320)</u>	<u>\$ 1,532,345</u>
Capital Assets, being Depreciated:				
Improvements	15,329,163	10,320	--	15,339,483
Buildings	417,150		--	417,150
Mining Rights	225,000	--	--	225,000
Software	70,623	--	--	70,623
Machinery & Equipment	5,525,002	590,740	(277,201)	5,838,541
Automotive Equipment	<u>2,293,967</u>	<u>692,096</u>	<u>(94,143)</u>	<u>2,891,920</u>
Total, being Depreciated	<u>23,860,905</u>	<u>1,293,156</u>	<u>(371,344)</u>	<u>24,782,717</u>
Less Accumulated Depreciation for:				
Improvements	(5,109,674)	(974,138)	--	(6,083,812)
Buildings	(188,665)	(20,601)	--	(209,266)
Mining Rights	(89,583)	(25,000)	--	(114,583)
Software	(44,728)	(14,125)	--	(58,853)
Machinery & Equipment	(3,964,173)	(460,131)	277,201	(4,147,103)
Automotive Equipment	<u>(1,548,030)</u>	<u>(224,169)</u>	<u>94,143</u>	<u>(1,678,056)</u>
Total Accumulated Depreciation	<u>(10,944,853)</u>	<u>(1,718,164)</u>	<u>371,344</u>	<u>(12,291,673)</u>
Total, being Depreciated, Net	<u>\$ 12,916,052</u>	<u>\$ (425,008)</u>	<u>\$ --</u>	<u>\$ 12,491,044</u>
Total Business-Type Activities, Net	<u>\$ 13,928,172</u>	<u>\$ 105,537</u>	<u>\$ (10,320)</u>	<u>\$ 14,023,389</u>

Construction in progress in the amount of \$10,320 was reclassified upon completion to improvements. Assets totaling \$371,344, with accumulated depreciation of \$371,344, were sold for \$78,660 resulting in a gain on disposal of capital assets of \$78,660.

Depreciation expense for the year ended June 30, 2013, was charged to the following functions:

Governmental Activities:

General Government	\$ 1,903,576
Public Safety	2,422,850
Public Works	949,934
Health and Welfare	220,958
Economic Development	1,015,889
Cultural and Recreation	<u>867,005</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,380,212</u>

Business-Type Activities:

Environmental Services	\$ 1,586,699
Stormwater Management Services	<u>131,465</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,718,164</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 6 - Capital Assets (continued)

Total assets purchased under capital leases with remaining liens are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Original Cost of Assets	\$ 9,331,107	\$ 5,341,519
Accumulated Depreciation	<u>(3,931,070)</u>	<u>(2,798,150)</u>
Net Book Value	<u>\$ 5,400,037</u>	<u>\$ 2,543,369</u>

Note 7 - Long-Term Debt

Following is a summary of changes in long-term liabilities during the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 12,005,000	\$ 18,400,000	\$ (865,000)	\$ 29,540,000	\$ 1,065,000
Installment Purchase Revenue Bonds	49,430,000	--	(1,865,000)	47,565,000	1,930,000
Plus: Unamortized Premiums	1,548,233	1,967,599	(114,500)	3,401,332	(212,880)
Less: Unamortized Discounts	(367,485)	--	21,100	(346,385)	21,100
Less: Deferred Refunding Costs	<u>(1,015,220)</u>	--	<u>87,815</u>	<u>(927,405)</u>	<u>87,815</u>
Net Bonds Payable	61,600,528	20,367,599	(2,735,585)	79,232,542	2,891,035
Loan (Energy Savings)	456,385	--	(44,924)	411,461	46,271
Capital Leases	8,639,379	1,131,161	(1,757,968)	8,012,572	1,597,884
Net OPEB Obligation	3,855,608	1,219,305	(393,722)	4,681,191	--
Compensated Absences	<u>1,358,696</u>	<u>1,359,886</u>	<u>(1,358,696)</u>	<u>1,359,886</u>	<u>1,285,269</u>
Totals	<u>\$ 75,910,596</u>	<u>\$ 24,077,951</u>	<u>\$ (6,290,895)</u>	<u>\$ 93,697,652</u>	<u>\$ 5,820,459</u>
Business-Type Activities					
Capital Leases	\$ 2,627,519	\$ 764,329	\$ (613,207)	\$ 2,778,641	\$ 677,786
Net OPEB Obligation	302,177	98,380	(45,162)	355,395	--
Compensated Absences	95,357	91,675	(95,357)	91,675	87,091
Landfill Closure/Postclosure	<u>6,573,094</u>	<u>399,680</u>	<u>(58,275)</u>	<u>6,914,499</u>	<u>69,700</u>
Totals	<u>\$ 9,598,147</u>	<u>\$ 1,354,064</u>	<u>\$ (812,001)</u>	<u>\$ 10,140,210</u>	<u>\$ 834,577</u>

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County issues general obligation bonds to provide funds for the acquisition, construction and improvement of capital facilities. General obligations bonds are ordinarily repaid with property tax revenues.

The County issued General Obligation Bonds, Series 2013, on June 27, 2013, in the principal amount of \$18,400,000, with interest rates ranging between 2.00% and 5.00%. The bonds require semi-annual interest payments on March 1 and September 1 each year, along with an annual principal payment on March 1 each year. Final maturity on the bonds is on March 1, 2033.

On October 11, 2011, the County issued \$11,140,000 in general obligation refunding bonds with interest rates ranging between 2.00% and 4.00%. The County issued the bonds to advance refund \$11,055,000 of the then outstanding Series 2003A General Obligation Bonds with interest rates ranging from 4.00% to 5.00%. The County placed the net proceeds into an irrevocable trust to provide for all future debt service on the refunded portion of the 2003A Series bonds. On March 1, 2013, the trust agent paid the entire \$11,055,000 outstanding principal balance of the refunded bonds.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 7 - Long-Term Debt (continued)

Annual debt service requirements to maturity for general obligation bonds outstanding at June 30, 2013, are as follows:

General Obligation Bonds of 2013 (Issued 6/27/13)

Fiscal Year	Interest Rate	Balance	Principal March 1	Interest September 1	Interest March 1	Total Annual Payments
2014	2.00%	\$ 18,400,000	\$ 75,000	\$ 157,218	\$ 442,175	\$ 674,393
2015	3.00%	18,325,000	95,000	441,425	441,425	977,850
2016	3.00%	18,230,000	95,000	440,000	440,000	975,000
2017	4.00%	18,135,000	90,000	438,575	438,575	967,150
2018	4.00%	18,045,000	80,000	436,775	436,775	953,550
2019-2023	4.00%-5.00%	17,965,000	380,000	2,157,650	2,157,650	4,695,300
2024-2028	5.00%	17,585,000	5,035,000	1,892,000	1,892,000	8,819,000
2029-2033	4.00%-5.00%	12,550,000	12,550,000	918,375	918,375	14,386,750
Totals			<u>\$ 18,400,000</u>	<u>\$ 6,882,018</u>	<u>\$ 7,166,975</u>	<u>\$ 32,448,993</u>

General Obligation Refunding Bonds of 2011 (Issued 10/11/11)

Fiscal Year	Interest Rate	Balance	Principal March 1	Interest September 1	Interest March 1	Total Annual Payments
2014	2.00%	\$ 11,140,000	\$ 990,000	\$ 164,550	\$ 164,550	\$ 1,319,100
2015	2.00%	10,150,000	1,010,000	154,650	154,650	1,319,300
2016	2.00%	9,140,000	1,025,000	144,550	144,550	1,314,100
2017	3.00%	8,115,000	1,055,000	134,300	134,300	1,323,600
2018	3.00%	8,115,000	1,085,000	118,475	118,475	1,321,950
2019-2023	3.00%-4.00%	7,060,000	5,975,000	331,725	331,725	6,638,450
Totals			<u>\$ 11,140,000</u>	<u>\$ 1,048,250</u>	<u>\$ 1,048,250</u>	<u>\$ 13,236,500</u>

Installment Purchase Revenue Bonds

The SCAGO Public Facilities Corporation for Georgetown County (the Corporation) Installment Purchase Revenue Bonds Refunding Issue 2009A was issued on December 17, 2009, in the face amount of \$23,725,000. In addition, the SCAGO Public Facilities Corporation for Georgetown County issued Installment Purchase Revenue Bonds Issue 2009B on the same date in the amount of \$29,185,000.

Both of the Installment Purchase Revenue Bond issues are subject to a County Facilities Purchase and Use Agreement, which details proportionate interests of the owners in certain rental payments to be made by the County under the terms of a Base Lease Agreement between the County and the Corporation. The County purchases incremental "shares" of the Capital Projects from the Corporation pursuant to the Purchase and Use Agreement, which obligates the County to make semiannual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the facilities, and program administration fees.

The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by County Council to pay the installment payments due in such fiscal year; however, the County would forfeit possession of the facilities for the remainder of the lease term in the event of non-payment.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 7 - Long-Term Debt (continued)

Both the 2009A and 2009B bonds were issued to fund various capital projects and are secured with liens on the new County judicial center, the existing "old" County courthouse and administration facility, the County Detention facility, and the County library facility in Andrews. The 2009A bonds require semi-annual interest payments on June 1 and December 1 each year, along with an annual principal payment on December 1 each year. Final maturity on the bonds is on December 1, 2029. The 2009B bonds also require semi-annual interest payments on June 1 and December 1 each year, along with an annual principal payment on December 1 each year. The 2009B Issue is a taxable "Build America Bond" issue and as such is eligible for 35% interest credits from the U.S. Treasury. For the year ended June 30, 2013, interest subsidies received totaled \$654,801 and are reported in the Debt Service Fund as intergovernmental revenues. The receipts were reduced by \$29,779 as a result of federal sequestration adjustments. Final maturity on the bonds is on December 1, 2029.

The SCAGO Public Facilities Corporation for Georgetown County installment purchase revenue bonds are not a debt of the County, however, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

Annual debt service requirements to maturity for installment purchase revenue bonds outstanding at June 30, 2013, are as follows:

Installment Purchase Revenue Bonds Series 2009A Refunding (Issued 12/17/09)

Fiscal Year	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
2014	2.25%	\$ 18,380,000	\$ 1,930,000	\$ 384,147	\$ 362,434	\$ 2,676,581
2015	5.125%	16,450,000	2,005,000	362,434	311,056	2,678,490
2016	3.125%	14,445,000	2,090,000	311,056	278,400	2,679,456
2017	3.375%	12,355,000	2,160,000	278,400	241,950	2,680,350
2018	4.000%	10,195,000	2,240,000	241,950	197,150	2,679,100
2019-2023	4.25%-5.00%	7,955,000	7,855,000	427,475	232,825	8,515,300
2024-2028	5.00%	100,000	--	12,500	12,500	25,000
2029-2030	5.00%	100,000	100,000	5,000	2,500	107,500
Totals			<u>\$ 18,380,000</u>	<u>\$ 2,022,962</u>	<u>\$ 1,638,815</u>	<u>\$ 22,041,777</u>

Installment Purchase Revenue Bonds Series 2009B (Issued 12/17/09)

Fiscal Year	Interest Rate	Balance	Principal December 1	Net Interest December 1	Net Interest June 1	Total Annual Payments
2014	6.625-6.750%	\$ 29,185,000	\$ --	\$ 977,972	\$ 977,972	\$ 1,955,944
2015	6.625-6.750%	29,185,000	--	977,972	977,972	1,955,944
2016	6.625-6.750%	29,185,000	--	977,972	977,972	1,955,944
2017	6.625-6.750%	29,185,000	--	977,972	977,972	1,955,944
2018	6.625-6.750%	29,185,000	--	977,972	977,972	1,955,944
2019-2023	6.625-6.750%	29,185,000	5,085,000	4,815,328	4,646,887	14,547,215
2024-2028	6.625-6.750%	26,935,000	16,445,000	2,999,632	2,448,457	21,893,089
2029-2030	6.750%	11,240,000	7,655,000	390,319	131,963	8,177,282
Totals			<u>\$ 29,185,000</u>	<u>\$ 13,095,139</u>	<u>\$ 12,117,167</u>	<u>\$ 54,397,306</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 7 - Long-Term Debt (continued)

Loan Obligation

In conjunction with an energy savings project, the County entered into a \$500,000 loan agreement on November 1, 2009, with the South Carolina Energy Office, Division of Insurance and Grant Services, State Budget and Control Board. The principal balance of the loan accrued interest at the rate of 3.0% per annum beginning on November 1, 2010, the date that the "construction phase" was deemed to conclude. No interest accrued on funds drawn during the construction phase.

Annual debt service requirements to maturity for the loan balance outstanding at June 30, 2013, are as follows:

South Carolina Energy Office Loan (Issued 11/01/2009)

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Principal November 1</u>	<u>Interest November 1</u>	<u>Total Annual Payments</u>
2014	3.00%	\$ 411,461	\$ 46,271	\$ 12,344	\$ 58,615
2015	3.00%	365,190	47,660	10,955	58,615
2016	3.00%	317,530	49,089	9,526	58,615
2017	3.00%	268,441	50,562	8,053	58,615
2018	3.00%	217,879	52,079	6,536	58,615
2019-2021	3.00%	165,800	<u>165,800</u>	<u>10,046</u>	<u>175,846</u>
Totals			<u>\$ 411,461</u>	<u>\$ 57,460</u>	<u>\$ 468,921</u>

Capital Leases

The County's governmental activities have twenty-three (23) lease purchase agreements and its business-type activities have thirteen (13) lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
FY2014	\$ 1,772,530	\$ 745,384	\$ 2,517,914
FY2015	1,514,144	535,356	2,049,500
FY2016	1,287,364	535,356	1,822,720
FY2017	1,131,713	510,973	1,642,686
FY2018	930,386	268,700	1,199,086
FY2019-FY2022	<u>2,033,221</u>	<u>383,342</u>	<u>2,416,563</u>
Total Minimum Lease Payments	8,669,358	2,979,111	11,648,469
Less: Amount Representing Interest	<u>(656,786)</u>	<u>(200,470)</u>	<u>(857,256)</u>
Totals	<u>\$ 8,012,572</u>	<u>\$ 2,778,641</u>	<u>\$ 10,791,213</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 7 - Long-Term Debt (continued)

The annual requirements to amortize all debt outstanding, including capital leases, as of June 30, 2013, are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 4,639,155	\$ 3,818,008	\$ 8,457,163	\$ 677,786	\$ 67,598	\$ 745,384
2015	4,532,140	3,972,203	8,504,343	485,244	50,112	535,356
2016	4,436,103	3,834,376	8,270,479	498,071	37,284	535,355
2017	4,401,484	3,715,888	8,117,372	486,892	24,081	510,973
2018	4,324,600	3,574,945	7,899,545	257,548	11,152	268,700
2019-2023	21,410,551	15,194,781	36,605,332	373,100	10,243	383,343
2024-2028	21,480,000	9,257,089	30,737,089	--	--	--
2029-2033	20,305,000	2,366,532	22,671,532	--	--	--
Totals	<u>\$ 85,529,033</u>	<u>\$ 45,733,822</u>	<u>\$ 131,262,855</u>	<u>\$ 2,778,641</u>	<u>\$ 200,470</u>	<u>\$ 2,979,111</u>

The legal debt limit imposed by South Carolina statutes for issuance of general obligation debt without referendum is equal to eight per cent (8%) of the total assessed value of all taxable property in the County less currently outstanding general obligation debt that was issued without referendum. Based on the 2012 tax year assessed valuation of \$535,961,000, and outstanding general obligation bond debt at June 30, 2013, of \$30,405,000, the legal debt limit is approximately \$12,304,000.

Note 8 - Contingencies

As of June 30, 2013, actions have been alleged against the County in which it has denied liability. Any liability would be covered by the Insurance Reserve Fund up to the policy limit. The outcome or the amount of recovery, if any, cannot be predicted with certainty; accordingly, no liability has been recorded.

Note 9 - Interfund Transfer Reconciliation

Operating transfers between the County's various funds are generally made to fund Council approved projects. Below is a summary of those interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,686,938	\$ 2,898,630
Law Enforcement Fund	2,002,000	430,000
Capital Improvement Plan Fund	4,206,620	--
Nonmajor Special Revenue Funds	223,999	6,130,677
Nonmajor Capital Projects Funds	1,587,400	--
Environmental Services Fund	--	77,650
Stormwater Management Fund	--	170,000
Totals	<u>\$ 9,706,957</u>	<u>\$ 9,706,957</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 10 - Economic Dependency

Georgetown County collects property taxes from the following five taxpayers which represent 3.80% of total taxable assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
International Paper Company	Paper Products	\$ 12,229,136
Santee Electric Coop Inc.	Electric Utility	3,814,850
Frontier Communications	Telecommunications	1,712,220
ArcelorMittal Georgetown Inc.	Steel Wire	1,601,940
Red Mountain Timber Co. III, LLC	Timberland Investment	994,377

Note 11 - Retirement Plans

Plan Description

County employees participate in either the South Carolina Police Officers Retirement System (PORS) or the South Carolina Retirement System (SCRS), depending on their particular duties. Both plans are administered by the South Carolina Retirement Systems and are classified as cost-sharing multiple-employer public employee retirement systems (PERS). Each plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefit provisions are established under authority of Title 9 of the South Carolina Code of Laws. The South Carolina Retirement Systems issue a Comprehensive Annual Financial Report which discloses detailed information regarding benefit provisions and actuarial information. That report is available to the public and may be obtained by writing to South Carolina Retirement Systems, Post Office Box 11960, Capitol Station, Columbia, South Carolina 29211-1960.

Funding Policy

Members of the PORS and SCRS are required to contribute 7.00% of their covered wages. The County is required to contribute at actuarially determined rates, currently 11.90% of PORS member wages and 10.45% of SCRS member wages. The contribution requirements of plan members and the County are established by the South Carolina Retirement Systems under authority of Title 9 of the South Carolina Code of Laws. The County's required contributions for retirement benefits to the PORS for the plan years ending June 30, 2013, 2012 and 2011 totaled \$1,173,782, \$1,122,259 and \$1,065,074, respectively. The County's required contributions for retirement benefits to the SCRS for the plan years ending June 30, 2013, 2012 and 2011 were \$1,113,933, \$999,097 and \$959,277, respectively. Actual contributions were equal to the required contributions for each year.

The County also contributes 0.20% and 0.15% of covered payroll for group life insurance benefits for PORS and SCRS members, respectively. In addition, the County contributes 0.20% for accidental death benefits for PORS members.

Note 12 - Post Employment Health Care Benefits

Plan Description

The County's defined benefit single-employer post-employment healthcare plan (the Plan) provides health insurance benefits to eligible retirees and their eligible dependents. Employees become eligible when the employee qualifies for retirement benefits under the South Carolina Retirement System and has at least 5 years of service with the County. Information regarding South Carolina Retirement System eligibility may be obtained from the Comprehensive Annual Financial Report of the Retirement System (see Note 11). The Plan is approved by policy of County Council; the contribution requirements of the County and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council has the right to unilaterally modify its payments toward retiree health care benefits. As of July 1, 2012, the actuarial measurement date for the fiscal year 2012 plan year, there were 627 covered participants, including 515 active employees, and 112 retirees (and/or their beneficiaries and spouses receiving benefits).

Stand alone financial reports are not prepared for the Plan.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 12 - Post Employment Health Care Benefits (continued)

Funding Policy

The County's Plan offers medical and dental insurance benefits to retirees and their spouses. Contributions are currently made on a pay-as-you-go basis according to the schedules below.

Group 1 includes present active employees who were hired before July 1, 2005, and current retirees. Group 2 includes present active employees who were hired on or after July 1, 2005.

Retirees can continue coverage for life. Covered spouses and beneficiaries can continue coverage for life after the death of the retiree.

The following schedule reflects the premiums and distributions currently in place:

	Pre-Medicare Eligible			Medicare Eligible		
	Retiree	Employer	Total	Retiree	Employer	Total
<u>Group 1</u>						
Less than 10 Years County Service						
Retiree Only Coverage	\$ 408.20	\$ --	\$ 408.20	\$ 408.20	\$ --	\$ 408.20
Retiree/Spouse Coverage	868.44	--	868.44	868.44	--	868.44
10 – 24 Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 310.52	\$ 408.20	\$ 97.68	\$ 310.52	\$ 408.20
Retiree/Spouse Coverage	557.92	310.52	868.44	557.92	310.52	868.44
25 or More Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 310.52	\$ 408.20	\$ 97.68	\$ 310.52	\$ 408.20
Retiree/Spouse Coverage	253.36	615.08	868.44	253.36	615.08	868.44
<u>Group 2</u>						
Less than 25 Years County Service						
Retiree Only Coverage	\$ 408.20	\$ --	\$ 408.20	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	868.44	--	868.44	N/A	N/A	N/A
25 or More Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 310.52	\$ 408.20	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	253.36	615.08	868.44	N/A	N/A	N/A

For Group 2 retirees, the County does not offer health insurance benefits once retirees become medicare eligible.

The County participates in the South Carolina health insurance plans and the stated retiree and employer premium breakdown above is consistent with that adopted by the State for State employees.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on a level percent of payroll increasing annually at 2.75%.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 12 - Post Employment Health Care Benefits (continued)

The components of the annual OPEB cost, the amount actually contributed to the plan, and changes in the net OPEB obligation during the fiscal year ended June 30, 2013, were as follows:

Normal Cost	\$ 609,177
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>706,449</u>
Annual Required Contribution (ARC)	1,315,626
Interest on Net OPEB Obligation	166,311
ARC Adjustment	<u>(164,252)</u>
Annual OPEB Cost	1,317,685
Contributions Made	<u>(438,884)</u>
Increase in Net OPEB Obligation	878,801
Net OPEB Obligation – Beginning	<u>4,157,785</u>
Net OPEB Obligation – Ending	<u>\$ 5,036,586</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ended June 30, 2013, June 30, 2012, and June 30, 2011, were as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year Ended June 30, 2013	\$ 1,317,685	33.31%	\$ 5,036,586
Fiscal Year Ended June 30, 2012	\$ 1,589,279	21.77%	\$ 4,157,785
Fiscal Year Ended June 30, 2011	\$ 1,546,189	20.22%	\$ 2,914,485

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits (AAL) was \$17,882,616 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,882,616. The covered payroll (annual payroll of active employees covered by the Plan) was \$17,465,835, and the ratio of the UAAL to the covered payroll was 102.39%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 valuation and the historical pattern of sharing of benefit costs between the employer and the 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.

For the July 1, 2012, actuarial valuation, the County used the Projected Unit Credit cost method. The actuarial assumptions included a 4.0% annual investment rate of return (net of administrative and investment related expenses) and an current healthcare cost trend rate of 9.5% for pre-medicare eligible retirees and a 7.5% trend rate for medicare eligible retirees. Each of the current trend rates will decrease until they reach the ultimate trend rate of 5.0% in 2018 and are expected to remain stable at 5.0% thereafter. The asset valuation method used is the 5-year smoothed market value. The Plan's UAAL is being amortized as a level percentage of projected payroll costs over a thirty year period.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 12 - Post Employment Health Care Benefits (continued)

Actuarial calculations, in particular those regarding the assumed annual investment rate of return, were based on the fact that no assets have been set aside that are legally held exclusively for other post-employment benefits. If a trust or equivalent arrangement were set up for this purpose, the investment rate of return may be increased.

Note 13 - Commitments

The County had the following commitments represented by open purchase orders with vendors and service providers at June 30, 2013:

Governmental Activities

General Fund encumbrances	\$ 210,137
Law Enforcement Fund encumbrances	60,646
Capital Improvement Plan Projects Fund encumbrances	4,048,900
Other Governmental Funds encumbrances	<u>1,001,500</u>
Total	<u>\$ 5,321,183</u>

Business-Type Activities

Environmental Services Fund encumbrances	\$ 70,229
Stormwater Drainage Utility Fund encumbrances	<u>559,685</u>
Total	<u>\$ 629,914</u>

Included in the encumbered amounts above for the Capital Improvement Plan Projects Fund are the following significant projects:

- Improvements to eight County recreational parks and facilities with total contractual commitments in the amount of \$1,829,947 to architects, engineers and contractors working on the projects. Construction on most of the parks was well underway and near completion at year end.
- Computer system and financial software upgrades in the amount of \$115,833. Implementation of these upgrades is ongoing and is expected to be complete in FY2014.
- New construction of the Murrells Inlet Community Center with remaining commitments to architects and contractors in the amount of \$1,055,857.

Included in the encumbered amounts above for other Governmental Funds is the following significant project:

- Road paving projects with commitments in the amount of \$965,320 to engineers and paving contractors.

The encumbered amounts disclosed above for the Stormwater Drainage Utility Fund are for various stormwater system improvement projects.

Note 14 - Landfill Closure & Postclosure Care Costs

The County operates a municipal solid waste landfill and a construction and demolition waste landfill. It also is responsible for a closed municipal solid waste landfill and a closed industrial waste landfill. Federal and State laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at closed landfill sites for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are recognized based on future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the liability for landfill closure and post closure care costs is based on the percentage of landfill capacity used to date applied to the estimated future costs to close the landfills and to maintain and monitor the landfills subsequent to their closure.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 14 - Landfill Closure & Postclosure Care Costs (continued)

Changes in the County's estimated liability for closure and postclosure care costs during the year ended June 30, 2013, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Active MSW Landfill	\$ 4,174,817	\$ 396,929	\$ --	\$ 4,571,746
Active C&D Landfill	1,191,432	2,751	--	1,194,183
Closed MSW Landfill	1,072,288	--	(46,315)	1,025,973
Closed Maryville "Industrial" Landfill	134,557	--	(11,960)	122,597
Totals	<u>\$ 6,573,094</u>	<u>\$ 399,680</u>	<u>\$ (58,275)</u>	<u>\$ 6,914,499</u>

A summary of estimated remaining closure and postclosure care costs to be recognized for the County's current landfills follows:

	<u>Total Current Estimated Costs</u>	<u>Costs Recognized through 6/30/2013</u>	<u>Remaining Costs to be Recognized</u>	<u>Estimated Remaining Life</u>
Active MSW Landfill (Capacity Used to Date: 38.10%)	\$ 11,998,140	\$ 4,571,746	\$ 7,426,394	15 Years
Active C&D Landfill (Capacity Used to Date: 89.73%)	1,330,890	1,194,183	136,707	2 Year
Closed MSW Landfill (net)	1,072,288	1,072,288	--	None
Closed Maryville "Industrial" Landfill (net)	134,557	134,557	--	None
Totals	<u>\$ 14,535,875</u>	<u>\$ 6,972,774</u>	<u>\$ 7,563,101</u>	

The total estimated closure and postclosure care costs of \$14,535,875 is based on the amount that would be paid if all equipment, facilities, and services required to close, maintain and monitor the active, closed and permitted future landfills were paid out as of June 30, 2013. However, the estimated future costs of landfill closure and postclosure care, as determined by consulting engineers, are subject to changes such as the effects of inflation, revisions in laws and regulations, changes in technology, actual sequence of landfill development and closure, and other variables. It is anticipated that future inflation costs will be financed in part from earnings on investments. Other unanticipated costs may need to be covered by modifying charges to future landfill users, taxpayers, or both.

The County is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the County is the local government financial test. At June 30, 2013, the County is in compliance with federal and state financial assurance requirements. Funds have been accumulated in the amount of \$6,914,499 to cover future costs of landfill closure and postclosure care. This amount, which is equal to the portion of costs recognized to date, is reported in the financial statements as restricted cash and investments.

Note 15 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to protect against these risks of loss, the County pays insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant losses for the covered risks. The County has not had a significant reduction in insurance coverage in the last year and has not had any material settled claims in excess of coverage in the last three years.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 15 - Risk Management (continued)

Workers compensation losses are insured through the South Carolina Workers Compensation Trust (SCMIT), a self-sustaining public entity risk pool. The pool pays workers compensation losses and provides medical case management services for injured employees through a third party administrator.

The County is self insured for unemployment benefits. Claims are administered by the South Carolina Employment Security Commission and then reimbursed by the County. No liability has been accrued at year-end for potential claims, as they are expected to be minimal.

Note 16 – Net Position & Fund Balances

Net position that was restricted at year-end as a result of enabling legislation in the government-wide statements is as follows:

Law Enforcement Fund	\$ 1,700,791
Debt Service Fund	16,160,374
Nonmajor Governmental Funds	
County Fire (District I)	131,195
Midway Fire (District II)	1,150,812
Higher Education	192,336
Bureau of Aging Services	506,814
Economic Development	620,378
Economic Development Marketing	108,176
Special Economic Development Agreement	5,102,005
Road Improvement	4,308,081
Choppee Regional Center	45,360
Local Accommodations & Hospitality Tax	1,170,181
Bike the Neck	29,387

The following individual nonmajor governmental funds had deficit unassigned fund balances at June 30, 2013:

Public Safety Grants Fund	\$ (3,530)
Public Works Grants Fund	(50,162)
Economic Development Grants Fund	(109,809)
Culture & Recreation Grants Fund	(103,362)

The deficits in the above grant funds resulted from expenditures incurred prior to year-end for which subsequent reimbursements did not meet accrual recognition criteria, or for which terms of the grant agreements did not yet allow reimbursement.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 17 - Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between governmental fund balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes a reconciliation between "fund balance - total governmental funds" and "net position - governmental activities" as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds." The details of this \$129,664,246 are as follows:

Capital Assets	\$ 206,564,199
Accumulated Depreciation	<u>(76,899,953)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 129,664,246</u>

Another element of that reconciliation is the "other long-term assets, such as property taxes receivable, court fines receivable, and ambulance fees receivable are not available to pay for current period expenditures and, therefore, are deferred or not recognized in the governmental funds." The details of this \$1,182,074 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 770,199
Ambulance Fees deferred in Governmental Fund Statement	236,005
Court Fines deferred in Governmental Fund Statement	<u>175,870</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,182,074</u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable (net of unamortized premiums, discounts and deferred refunding costs), loans, capital leases, net OPEB obligation, compensated absences and accrued interest, are not due and payable in the current period or are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds." The details of the (\$93,988,173) are as follows:

G.O. Bonds Payable	\$ (29,540,000)
Installment Purchase Revenue Bonds Payable	(47,565,000)
Less: Deferred Refunding Costs (to be amortized over life of refunded debt)	927,405
Plus: Issuance Premium (to be amortized as interest expense)	(3,401,332)
Less: Issuance Discount (to be amortized as interest expense)	346,385
Accrued Interest Payable	(290,521)
Loan Payable	(411,461)
Capital Leases Payable	(8,012,572)
Net OPEB Obligation	(4,681,191)
Compensated Absences	<u>(1,359,886)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (93,988,173)</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital asset acquisition costs as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$13,130,039 difference are as follows:

Capital Assets Acquisition Costs	\$ 20,510,251
Depreciation Expense	<u>(7,380,212)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 13,130,039</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2013

Note 17 - Reconciliation of Government-wide and Fund Financial Statements (continued)

Another element of that reconciliation explains that "revenues in the statement of activities, such as property taxes, ambulance fees, and police fines, that will not be collected for several months after year-end, and do not provide current financial resources, are not reported as revenues in the governmental funds." The details of this (\$57,847) difference are as follows:

Property Taxes	\$ (1,939)
Ambulance Fees	(56,130)
Police Fines	<u>222</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (57,847)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, loans and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the full amount of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this (\$16,615,823) are as follows:

Debt Issued or Incurred:	
Issuance of Capital Lease Debt	\$ (1,131,161)
Issuance of General Obligation Bonds	(18,400,000)
Premium on Issuance of General Obligation Bonds	(1,967,599)
Issuance Costs of General Obligation Bonds	350,045
Principal Repayments:	
General Obligation Debt	865,000
Installment Purchase Revenue Debt	1,865,000
Capital Lease Debt	1,757,968
Loan Debt	<u>44,924</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (16,615,823)</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums, issuance costs, and refunding costs do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this (\$32,994) difference are as follows:

Compensated Absences	\$ (1,190)
Accrued Interest	17,582
Amortization of Issuance Costs	(54,971)
Amortization of Deferred Bond Refunding Costs	(87,815)
Amortization of Bond Premium	114,500
Amortization of Bond Discount	<u>(21,100)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (32,994)</u>

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Required Supplementary Information

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Schedule of Funding Progress
Post-Employment Healthcare Plan
Year Ended June 30, 2013**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
July 1, 2012	\$ -	\$ 17,882,616	\$ 17,882,616	0.00%	\$ 17,465,835	102.39%
July 1, 2010	\$ -	\$ 18,316,446	\$ 18,316,446	0.00%	\$ 19,282,391	94.99%
July 1, 2008	\$ -	\$ 11,337,811	\$ 11,337,811	0.00%	\$ 17,983,000	63.05%

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 12,604,600	\$ 12,604,600	\$ 12,421,197	\$ (183,403)
Vehicle taxes	720,000	720,000	725,615	5,615
Delinquent property taxes	300,000	300,000	185,604	(114,396)
Payments in lieu of taxes	237,000	237,000	252,458	15,458
Homestead reimbursement	334,200	334,200	331,920	(2,280)
Inventory replacement	85,461	85,461	85,461	-
Motor carrier	26,300	26,300	33,696	7,396
Manufacturer reimbursements	203,000	203,000	217,922	14,922
Tax penalties	126,900	126,900	107,576	(19,324)
	<u>14,637,461</u>	<u>14,637,461</u>	<u>14,361,449</u>	<u>(276,012)</u>
Fees, licenses and permits				
Building permits	675,000	675,000	751,848	76,848
Vendor permits	2,000	2,000	1,950	(50)
Temporary zoning fees	7,000	7,000	9,200	2,200
Contractor registrations	115,000	115,000	102,812	(12,188)
Street sign fees	16,000	16,000	14,829	(1,171)
Hazardous chemicals filing fees	1,000	1,000	800	(200)
Mobile home title retirement fees	1,000	1,000	1,150	150
Mobile home license fees	1,500	1,500	1,885	385
Recording fees	195,000	195,000	197,348	2,348
Ambulance fees	1,900,000	1,900,000	1,975,430	75,430
Health department fees	24,000	24,000	25,107	1,107
Planning and zoning fees	40,000	40,000	48,542	8,542
Court fees	280,000	280,000	246,295	(33,705)
Documentary stamps	410,000	410,000	483,099	73,099
Bond estreatments	4,000	4,000	2,517	(1,483)
Delinquent tax fees	460,000	460,000	408,460	(51,540)
Community alert network fees	7,059	7,059	7,059	-
Civil fees	90,000	90,000	87,411	(2,589)
Coroner fees	500	500	350	(150)
Magistrate costs	10,000	10,000	7,104	(2,896)
Estate fees	120,000	120,000	112,842	(7,158)
Probate court fees	14,000	14,000	14,678	678
Marriage license fees	15,000	15,000	17,428	2,428
Bad check fees	20,000	20,000	15,246	(4,754)
Photocopy fees	55,000	55,000	51,579	(3,421)
Certifications	8,000	8,000	10,096	2,096
Probate court publications	12,000	12,000	11,650	(350)
Master in Equity fees	125,000	125,000	214,233	89,233
Encroachment permit fees	1,000	1,000	500	(500)
Pawleys Island board of appeals fees	200	200	310	110
Pawleys Island building & zoning fees	10,000	10,000	15,644	5,644

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Fees, licenses and permits (continued)				
Andrews permit fees	10,000	10,000	8,384	(1,616)
P&R facility rental fees	8,000	8,000	9,274	1,274
P&R program fees	80,000	80,000	77,321	(2,679)
P&R baseball league fees	-	-	4,137	4,137
Late fees	2,000	2,000	1,075	(925)
Airport fuel sales	10,000	10,000	8,938	(1,062)
EMS franchise fees	300	300	-	(300)
Cable franchise fees	350,000	350,000	403,487	53,487
Utility franchise fees	670,000	670,000	745,782	75,782
Multi-county park fees	2,000	2,000	2,544	544
GIS map sales	2,000	2,000	1,143	(857)
Pawleys Island magistrate fees	5,400	5,400	5,400	-
Andrews magistrate fees	20,400	20,400	20,400	-
	<u>5,779,359</u>	<u>5,779,359</u>	<u>6,125,287</u>	<u>345,928</u>
Fines and forfeitures				
Magistrate fines	130,000	130,000	101,237	(28,763)
Library fines	24,000	24,000	27,279	3,279
	<u>154,000</u>	<u>154,000</u>	<u>128,516</u>	<u>(25,484)</u>
Use of money and property				
Investment earnings	30,000	30,000	5,188	(24,812)
Property rent	88,000	88,000	90,405	2,405
Airport misc sales and rent	25,000	25,000	26,664	1,664
Corporate hangar rent	24,000	24,000	28,898	4,898
Non-corporate hangar rent	68,000	68,000	68,485	485
Garage rent	10,260	10,260	10,735	475
	<u>245,260</u>	<u>245,260</u>	<u>230,375</u>	<u>(14,885)</u>
Intergovernmental				
Local government fund	2,231,000	2,231,000	2,212,951	(18,049)
Mini bottle tax	91,393	91,393	91,393	-
DSS - service maintenance	50,000	50,000	64,157	14,157
Veterans affairs	4,950	4,950	5,100	150
Election Commission stipends	12,492	12,492	11,458	(1,034)
Reimb election expenditures	52,119	52,119	92,014	39,895
Refuge revenue sharing	15,000	15,000	6,356	(8,644)
Library support	60,000	60,000	60,158	158
Accommodations tax	30,000	30,000	-	(30,000)
Salary supplement for elected officials	6,300	6,300	6,300	-
Other state revenue	1,000	1,000	178	(822)
	<u>2,554,254</u>	<u>2,554,254</u>	<u>2,550,065</u>	<u>(4,189)</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Grants				
Emergency preparedness	24,000	24,000	30,665	6,665
Lottery	11,000	11,000	8,218	(2,782)
	<u>35,000</u>	<u>35,000</u>	<u>38,883</u>	<u>3,883</u>
Other				
P&R food sales	-	-	16,043	16,043
Tournament revenues	-	79,150	79,154	4
Profit on park pass sales	3,000	3,000	3,021	21
Workers compensation receipts	1,000	1,000	-	(1,000)
Insurance claims reimbursements	10,000	26,889	63,100	36,211
Escheated taxes	20,000	20,000	17,108	(2,892)
Salary supplement - library	8,000	8,000	7,605	(395)
Contributions and donations	1,000	1,000	5,425	4,425
Timber sales	-	-	35,837	35,837
Miscellaneous	88,766	88,766	154,933	66,167
	<u>131,766</u>	<u>227,805</u>	<u>382,226</u>	<u>154,421</u>
Total Revenues	\$ 23,537,100	\$ 23,633,139	\$ 23,816,801	\$ 183,662
Expenditures				
General government				
County council				
Current				
Personal services	\$ 167,200	\$ 172,946	\$ 172,946	\$ -
Operations and maintenance	32,285	32,288	31,848	440
	<u>199,485</u>	<u>205,234</u>	<u>204,794</u>	<u>440</u>
Administration				
Current				
Personal services	197,500	244,332	244,329	3
Operations and maintenance	19,086	21,304	20,932	372
	<u>216,586</u>	<u>265,636</u>	<u>265,261</u>	<u>375</u>
Contribution agencies				
Current				
Operations and maintenance	218,700	218,700	218,700	-
	<u>218,700</u>	<u>218,700</u>	<u>218,700</u>	<u>-</u>
Finance				
Current				
Personal services	495,380	508,742	482,086	26,656
Operations and maintenance	29,190	29,945	26,302	3,643
	<u>524,570</u>	<u>538,687</u>	<u>508,388</u>	<u>30,299</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Purchasing				
Current				
Personal services	140,725	144,929	144,138	791
Operations and maintenance	11,760	11,760	8,626	3,134
	<u>152,485</u>	<u>156,689</u>	<u>152,764</u>	<u>3,925</u>
Personnel				
Current				
Personal services	268,400	279,921	279,874	47
Operations and maintenance	17,826	18,170	18,161	9
	<u>286,226</u>	<u>298,091</u>	<u>298,035</u>	<u>56</u>
Master-In-Equity				
Current				
Personal services	54,450	60,505	60,504	1
Operations and maintenance	1,350	-	-	-
	<u>55,800</u>	<u>60,505</u>	<u>60,504</u>	<u>1</u>
Management information services				
Current				
Personal services	580,675	543,050	513,500	29,550
Operations and maintenance	677,990	759,600	715,728	43,872
Capital outlay	-	-	-	-
	<u>1,258,665</u>	<u>1,302,650</u>	<u>1,229,228</u>	<u>73,422</u>
Courts				
Current				
Personal services	102,600	105,596	94,998	10,598
Operations and maintenance	80,925	83,147	81,336	1,811
	<u>183,525</u>	<u>188,743</u>	<u>176,334</u>	<u>12,409</u>
Solicitor				
Current				
Operations and maintenance	904,620	904,629	904,628	1
	<u>904,620</u>	<u>904,629</u>	<u>904,628</u>	<u>1</u>
Probate court				
Current				
Personal services	226,300	233,103	231,966	1,137
Operations and maintenance	23,720	23,720	21,203	2,517
	<u>250,020</u>	<u>256,823</u>	<u>253,169</u>	<u>3,654</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Summary court				
Current				
Personal services	811,960	835,043	794,043	41,000
Operations and maintenance	148,380	149,029	131,122	17,907
Debt service				
Principal	4,980	4,980	4,980	-
Interest	1,421	1,421	1,421	-
	<u>966,741</u>	<u>990,473</u>	<u>931,566</u>	<u>58,907</u>
Auditor field appraisers				
Current				
Personal services	58,800	39,700	38,137	1,563
Operations and maintenance	2,710	2,230	1,776	454
	<u>61,510</u>	<u>41,930</u>	<u>39,913</u>	<u>2,017</u>
Auditor				
Current				
Personal services	204,600	212,684	210,161	2,523
Operations and maintenance	25,975	25,975	21,783	4,192
	<u>230,575</u>	<u>238,659</u>	<u>231,944</u>	<u>6,715</u>
GIS				
Current				
Personal services	110,300	113,612	113,172	440
Operations and maintenance	2,940	2,940	2,470	470
	<u>113,240</u>	<u>116,552</u>	<u>115,642</u>	<u>910</u>
Assessor				
Current				
Personal services	461,400	474,909	465,016	9,893
Operations and maintenance	66,029	66,429	58,050	8,379
	<u>527,429</u>	<u>541,338</u>	<u>523,066</u>	<u>18,272</u>
Treasurer				
Current				
Personal services	259,600	266,860	266,730	130
Operations and maintenance	112,650	114,918	114,382	536
	<u>372,250</u>	<u>381,778</u>	<u>381,112</u>	<u>666</u>
Delinquent tax collector				
Current				
Personal services	104,930	108,589	105,636	2,953
Operations and maintenance	180,030	174,367	158,054	16,313
	<u>284,960</u>	<u>282,956</u>	<u>263,690</u>	<u>19,266</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Building				
Current				
Personal services	338,700	346,144	345,963	181
Operations and maintenance	62,900	67,431	67,310	121
	<u>401,600</u>	<u>413,575</u>	<u>413,273</u>	<u>302</u>
Registration & election				
Current				
Personal services	100,400	165,960	160,351	5,609
Operations and maintenance	129,618	77,405	76,845	560
Debt service				
Principal	1,702	1,702	1,702	-
Interest	486	487	486	1
	<u>232,206</u>	<u>245,554</u>	<u>239,384</u>	<u>6,170</u>
Planning & zoning				
Current				
Personal services	355,900	366,472	363,864	2,608
Operations and maintenance	23,425	23,425	17,961	5,464
	<u>379,325</u>	<u>389,897</u>	<u>381,825</u>	<u>8,072</u>
Grants				
Current				
Operations and maintenance	9,400	9,400	8,578	822
	<u>9,400</u>	<u>9,400</u>	<u>8,578</u>	<u>822</u>
Facility services				
Current				
Personal services	336,300	345,642	327,647	17,995
Operations and maintenance	237,080	237,080	227,281	9,799
Debt service				
Principal	33,300	33,300	33,300	-
Interest	9,499	9,499	9,499	-
	<u>616,179</u>	<u>625,521</u>	<u>597,727</u>	<u>27,794</u>
Judicial facility management				
Current				
Personal services	96,150	98,987	98,084	903
Operations and maintenance	190,310	198,010	179,253	18,757
Debt service				
Principal	5,289	5,289	5,289	-
Interest	1,509	1,509	1,509	-
	<u>293,258</u>	<u>303,795</u>	<u>284,135</u>	<u>19,660</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Clerk of court administration				
Current				
Personal services	539,000	553,763	526,031	27,732
Operations and maintenance	33,360	31,982	25,741	6,241
	<u>572,360</u>	<u>585,745</u>	<u>551,772</u>	<u>33,973</u>
Legal				
Current				
Personal services	90,050	92,472	92,421	51
Operations and maintenance	29,900	44,639	44,581	58
	<u>119,950</u>	<u>137,111</u>	<u>137,002</u>	<u>109</u>
Clerk of court - family court				
Current				
Personal services	236,500	243,200	228,600	14,600
Operations and maintenance	45,000	45,422	40,380	5,042
	<u>281,500</u>	<u>288,622</u>	<u>268,980</u>	<u>19,642</u>
Register of deeds				
Current				
Personal services	176,500	181,787	181,431	356
Operations and maintenance	88,305	88,301	86,281	2,020
	<u>264,805</u>	<u>270,088</u>	<u>267,712</u>	<u>2,376</u>
Vehicle maintenance				
Current				
Operations and maintenance	48,630	54,446	54,242	204
	<u>48,630</u>	<u>54,446</u>	<u>54,242</u>	<u>204</u>
Delegation				
Current				
Personal services	13,980	14,422	14,340	82
Operations and maintenance	745	727	396	331
	<u>14,725</u>	<u>15,149</u>	<u>14,736</u>	<u>413</u>
Nondepartmental				
Current				
Personal services	1,583,000	1,593,200	1,499,410	93,790
Operations and maintenance	1,993,646	1,256,976	943,504	313,472
Debt service				
Principal	30,655	30,655	30,655	-
Interest	8,745	8,745	8,745	-
	<u>3,616,046</u>	<u>2,889,576</u>	<u>2,482,314</u>	<u>407,262</u>
Total general government	13,657,371	13,218,552	12,460,418	758,134

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety				
Coroner				
Current				
Personal services	64,200	66,127	65,541	586
Operations and maintenance	105,885	105,885	99,958	5,927
	<u>170,085</u>	<u>172,012</u>	<u>165,499</u>	<u>6,513</u>
Emergency preparedness				
Current				
Personal services	102,450	105,535	105,159	376
Operations and maintenance	28,545	31,151	30,682	469
	<u>130,995</u>	<u>136,686</u>	<u>135,841</u>	<u>845</u>
Emergency operations facility				
Current				
Operations and maintenance	11,020	13,141	13,026	115
	<u>11,020</u>	<u>13,141</u>	<u>13,026</u>	<u>115</u>
Emergency services administration				
Current				
Personal services	40,500	41,710	40,923	787
Operations and maintenance	22,533	24,058	13,670	10,388
	<u>63,033</u>	<u>65,768</u>	<u>54,593</u>	<u>11,175</u>
County emergency medical services				
Current				
Personal services	1,698,400	1,736,118	1,676,905	59,213
Operations and maintenance	634,385	638,225	634,308	3,917
Debt service				
Principal	1,975	1,975	1,975	-
Interest	564	564	563	1
	<u>2,335,324</u>	<u>2,376,882</u>	<u>2,313,751</u>	<u>63,131</u>
Midway emergency medical services				
Current				
Personal services	364,600	378,939	378,938	1
Operations and maintenance	155,050	162,466	155,743	6,723
Debt service				
Principal	364	364	364	-
Interest	104	104	104	-
	<u>520,118</u>	<u>541,873</u>	<u>535,149</u>	<u>6,724</u>
Total public safety	3,230,575	3,306,362	3,217,859	88,503

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual**

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public works				
Public works crew				
Current				
Personal services	941,900	968,364	950,529	17,835
Operations and maintenance	661,370	661,370	613,100	48,270
Debt service				
Principal	1,251	1,251	1,251	-
Interest	358	358	357	1
	<u>1,604,879</u>	<u>1,631,343</u>	<u>1,565,237</u>	<u>66,106</u>
Public services administration				
Current				
Personal services	265,036	272,541	267,664	4,877
Operations and maintenance	28,616	28,616	25,116	3,500
	<u>293,652</u>	<u>301,157</u>	<u>292,780</u>	<u>8,377</u>
Total public works	1,898,531	1,932,500	1,858,017	74,483
Health & welfare				
S.C. Department of Social Services				
Current				
Operations and maintenance	63,384	63,384	57,594	5,790
Debt service				
Principal	8,411	8,411	8,411	-
Interest	2,400	2,400	2,400	-
	<u>74,195</u>	<u>74,195</u>	<u>68,405</u>	<u>5,790</u>
S.C. Health Department				
Current				
Operations and maintenance	46,985	46,985	46,676	309
Debt service				
Principal	1,957	1,957	1,957	-
Interest	558	558	558	-
	<u>49,500</u>	<u>49,500</u>	<u>49,191</u>	<u>309</u>
Veteran affairs				
Current				
Personal services	85,600	88,160	87,929	231
Operations and maintenance	10,973	11,371	11,065	306
	<u>96,573</u>	<u>99,531</u>	<u>98,994</u>	<u>537</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Health & welfare (continued)				
Indigent hospital care				
Current				
Operations and maintenance	200,784	200,784	200,784	-
	<u>200,784</u>	<u>200,784</u>	<u>200,784</u>	<u>-</u>
Alcohol & drug abuse				
Current				
Operations and maintenance	128,400	128,400	128,393	7
	<u>128,400</u>	<u>128,400</u>	<u>128,393</u>	<u>7</u>
Choppee one-stop				
Current				
Operations and maintenance	75,114	75,112	69,728	5,384
Debt service				
Principal	9,254	9,254	9,254	-
Interest	2,632	2,634	2,633	1
	<u>87,000</u>	<u>87,000</u>	<u>81,615</u>	<u>5,385</u>
Total health & welfare	636,452	639,410	627,382	12,028
Economic development				
Waccamaw regional planning				
Current				
Operations and maintenance	71,083	71,083	71,082	1
	<u>71,083</u>	<u>71,083</u>	<u>71,082</u>	<u>1</u>
Airport commission				
Current				
Personal services	42,650	43,920	43,890	30
Operations and maintenance	101,203	104,626	103,924	702
Capital outlay	-	20,130	9,191	10,939
Debt service				
Principal	9,441	9,441	9,441	-
Interest	2,640	2,640	2,639	1
	<u>155,934</u>	<u>180,757</u>	<u>169,085</u>	<u>11,672</u>
Clemson extension				
Current				
Operations and maintenance	6,450	6,450	6,240	210
Debt service				
Principal	956	956	956	-
Interest	273	273	272	1
	<u>7,679</u>	<u>7,679</u>	<u>7,468</u>	<u>211</u>
Total economic development	234,696	259,519	247,635	11,884

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation				
Library				
Current				
Personal services	936,450	968,033	967,165	868
Operations and maintenance	265,803	261,734	247,003	14,731
Debt service				
Principal	19,964	19,964	19,964	-
Interest	5,695	5,695	5,694	1
	<u>1,227,912</u>	<u>1,255,426</u>	<u>1,239,826</u>	<u>15,600</u>
Library state aid				
Current				
Personal services	12,743	28,577	28,576	1
Operations and maintenance	47,257	33,695	33,694	1
	<u>60,000</u>	<u>62,272</u>	<u>62,270</u>	<u>2</u>
Library lottery funds				
Current				
Operations and maintenance	11,000	11,000	8,358	2,642
	<u>11,000</u>	<u>11,000</u>	<u>8,358</u>	<u>2,642</u>
CAC Marine Complex				
Current				
Personal services	19,300	20,394	20,366	28
Operations and maintenance	19,150	26,067	24,650	1,417
	<u>38,450</u>	<u>46,461</u>	<u>45,016</u>	<u>1,445</u>
Recreation				
Current				
Personal services	475,100	582,253	526,471	55,782
Operations and maintenance	585,345	735,610	724,477	11,133
Debt service				
Principal	28,475	28,475	28,475	-
Interest	8,118	8,118	8,118	-
	<u>1,097,038</u>	<u>1,354,456</u>	<u>1,287,541</u>	<u>66,915</u>
Park maintenance				
Current				
Personal services	274,800	360,287	360,285	2
Operations and maintenance	429,175	476,757	476,377	380
Capital outlay	-	6,696	6,696	-
	<u>703,975</u>	<u>843,740</u>	<u>843,358</u>	<u>382</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation (continued)				
Planning/capital projects				
Capital outlay	-	5,141	4,712	429
	-	5,141	4,712	429
Recreation tournaments				
Current				
Operations and maintenance	-	126,139	126,066	73
	-	126,139	126,066	73
Total culture & recreation	3,138,375	3,704,635	3,617,147	87,488
Total Expenditures	\$ 22,796,000	\$ 23,060,978	\$ 22,028,458	\$ 1,032,520
Excess (Deficiency) of Revenues Over Expenditures	741,100	572,161	1,788,343	1,216,182
Other Financing Sources (Uses)				
Proceeds from sale of assets	50,000	50,000	40,459	(9,541)
Transfers in	1,638,900	1,638,900	1,686,938	48,038
Transfers out	(2,890,000)	(2,890,000)	(2,898,630)	(8,630)
Total Other Financing Sources (Uses)	(1,201,100)	(1,201,100)	(1,171,233)	29,867
Net Change in Fund Balance	(460,000)	(628,939)	617,110	1,246,049
Fund Balance - Beginning of Year	9,688,471	9,688,471	9,688,471	-
Fund Balance - End of Year	\$ 9,228,471	\$ 9,059,532	\$ 10,305,581	\$ 1,246,049

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 7,207,000	\$ 7,207,000	\$ 7,104,781	\$ (102,219)
Vehicle taxes	407,700	407,700	427,457	19,757
Delinquent property taxes	182,000	182,000	112,313	(69,687)
Payments in lieu of taxes	135,000	135,000	144,402	9,402
Homestead reimbursement	196,000	196,000	189,971	(6,029)
Motor carrier	16,000	16,000	19,913	3,913
Manufacturer reimbursements	115,000	115,000	124,648	9,648
Tax penalties	72,000	72,000	62,310	(9,690)
	<u>8,330,700</u>	<u>8,330,700</u>	<u>8,185,795</u>	<u>(144,905)</u>
Fees, licenses and permits				
Miscellaneous fees	22,000	22,000	24,143	2,143
Photocopy fees	500	500	1,000	500
Multi-county park fees	1,400	1,400	1,458	58
Georgetown detention center fees	180,000	180,000	169,178	(10,822)
Andrews/Pawleys Island detention center fees	60,000	60,000	47,205	(12,795)
	<u>263,900</u>	<u>263,900</u>	<u>242,984</u>	<u>(20,916)</u>
Fines and forfeitures				
Sex offender fees	8,000	8,000	8,800	800
Traffic fines	525,000	525,000	472,058	(52,942)
	<u>533,000</u>	<u>533,000</u>	<u>480,858</u>	<u>(52,142)</u>
Use of money and property				
Investment earnings	4,000	4,000	1,770	(2,230)
	<u>4,000</u>	<u>4,000</u>	<u>1,770</u>	<u>(2,230)</u>
Intergovernmental				
Salary supplement for elected officials	1,575	1,575	1,575	-
Detention center fees - federal detainees	220,000	220,000	238,216	18,216
Misc state revenue	-	-	528	528
	<u>221,575</u>	<u>221,575</u>	<u>240,319</u>	<u>18,744</u>
Grants				
School district SRO reimbursement	270,000	270,000	265,236	(4,764)
Federal	1,000	1,000	3,335	2,335
	<u>271,000</u>	<u>271,000</u>	<u>268,571</u>	<u>(2,429)</u>
Other				
Telephone usage	30,000	30,000	37,021	7,021
Workers compensation receipts	1,000	1,000	-	(1,000)
Inmate per-diem	5,000	5,000	8,157	3,157

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Other (continued)				
Insurance claims reimbursements	5,000	5,000	49,880	44,880
Miscellaneous	2,825	25,095	50,522	25,427
	<u>43,825</u>	<u>66,095</u>	<u>145,580</u>	<u>79,485</u>
Total Revenues	\$ 9,668,000	\$ 9,690,270	\$ 9,565,877	\$ (124,393)
Expenditures				
Public safety				
Sheriff				
Current				
Personal services	\$ 4,057,700	\$ 4,146,780	\$ 3,930,622	\$ 216,158
Operations and maintenance	2,146,385	2,047,321	1,847,328	199,993
Capital outlay	66,000	116,296	98,427	17,869
Debt service				
Principal	5,276	5,276	5,276	-
Interest	1,506	1,506	1,505	1
	<u>6,276,867</u>	<u>6,317,179</u>	<u>5,883,158</u>	<u>434,021</u>
E911 Communications				
Current				
Personal services	730,400	743,516	728,480	15,036
Operations and maintenance	32,400	32,400	28,416	3,984
	<u>762,800</u>	<u>775,916</u>	<u>756,896</u>	<u>19,020</u>
Judicial center				
Current				
Personal services	577,500	592,257	590,675	1,582
Operations and maintenance	30,500	30,500	19,530	10,970
	<u>608,000</u>	<u>622,757</u>	<u>610,205</u>	<u>12,552</u>
Detention center				
Current				
Personal services	1,967,200	2,019,729	1,947,671	72,058
Operations and maintenance	1,333,571	1,331,732	1,304,640	27,092
Capital outlay	15,000	11,839	9,943	1,896
Debt service				
Principal	37,145	37,145	37,145	-
Interest	10,597	10,597	10,596	1
	<u>3,363,513</u>	<u>3,411,042</u>	<u>3,309,995</u>	<u>101,047</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
School District SRO's				
Current				
Personal services	261,000	267,787	256,418	11,369
Operations and maintenance	9,000	9,000	8,085	915
	<u>270,000</u>	<u>276,787</u>	<u>264,503</u>	<u>12,284</u>
Animal control				
Current				
Personal services	81,500	83,247	81,746	1,501
Operations and maintenance	107,320	107,320	94,998	12,322
	<u>188,820</u>	<u>190,567</u>	<u>176,744</u>	<u>13,823</u>
Total Expenditures	\$ 11,470,000	\$ 11,594,248	\$ 11,001,501	\$ 592,747
Excess (Deficiency) of Revenues Over Expenditures	(1,802,000)	(1,903,978)	(1,435,624)	468,354
Other Financing Sources (Uses)				
Proceeds from sale of assets	30,000	30,000	45,615	15,615
Transfers in	2,002,000	2,002,000	2,002,000	-
Transfers out	(430,000)	(430,000)	(430,000)	-
Total Other Financing Sources (Uses)	<u>1,602,000</u>	<u>1,602,000</u>	<u>1,617,615</u>	<u>15,615</u>
Net Change in Fund Balance	(200,000)	(301,978)	181,991	483,969
Fund Balance - Beginning of Year	1,618,995	1,618,995	1,618,995	-
Fund Balance - End of Year	<u>\$ 1,418,995</u>	<u>\$ 1,317,017</u>	<u>\$ 1,800,986</u>	<u>\$ 483,969</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Required Supplementary Information

June 30, 2013

Note - Budgets and Budgetary Accounting

County Council utilizes the following procedures in establishing the data reflected in the budgetary schedules:

- Prior to May 1, the County Administrator submits to County Council proposed annual budgets for the fiscal year commencing July 1. The budgets include proposed expenditure appropriations and the means for funding them.
- Public hearings are conducted to obtain taxpayer input.
- Prior to June 30, the budgets are legally enacted through passage of an ordinance after three readings.
- During the year, Council is provided with interim financial reports which include budgetary comparisons and variances.
- The County Administrator is authorized by ordinance to transfer budget amounts between departments within any fund; however, any revisions that would alter total budgeted amounts of any fund must be approved by County Council through formal budget ordinance amendment. Thus, the "legal level of control" is at the fund level.
- The County accounting and reporting software employs budgetary integration to facilitate management control during the year. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles for governments.
- Appropriations lapse at the end of each fiscal year; however, capital encumbrances at year-end are routinely provided for in the following year through supplemental appropriation.

Note 2 - Supplemental Appropriations

For the year ended June 30, 2013, supplemental funds were appropriated for expenditure in the amount of \$264,978 in the General Fund, and in the amount of \$124,248 in the Law Enforcement Fund.

Other Supplementary Information

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**Combining Nonmajor Governmental Fund
Financial Statements**

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are restricted by law and administrative action to expenditures for specified purposes. A brief description of the County's nonmajor special revenue funds follows:

County Fire (District 1) Fund - To account for revenues used to provide fire protection services in all unincorporated areas of the County except those in the Midway Fire District and in the Murrells Inlet/Garden City Fire District.

Midway Fire (District 2) Fund - To account for revenues used to provide fire protection services to the Midway Fire District encompassing certain areas in the Waccamaw Neck region of the County.

Victims Services Fund - To account for assessments imposed on certain fines in Magistrate, General Sessions and Family Courts that are retained by the County for the provision of services to victims of crimes.

Higher Education Fund - To account for tax revenues used to provide local support for the Horry-Georgetown Technical College and the Georgetown Branch of Coastal Carolina University.

Bureau of Aging Services Fund - To account for revenues used to provide recreational and welfare services to the aging population of Georgetown County.

Clerk of Court Unit Cost Fund - To account for State Title IV-D "Unit Costs" revenues passed through to the County to be used in providing for collection and enforcement of child support obligations.

Clerk of Court Incentive Fund - To account for State Title IV-D "Incentive" revenues passed through to the County to be used in providing for collection and enforcement of child support obligations.

State Accommodation Tax Fund - To account for State revenues derived from special taxes on short-term rental accommodations passed through to the County for use in advertising and promoting tourism and other tourism related expenditures within Georgetown County.

Economic Development Fund - To account for revenues used for economic development expenditures.

Economic Development Marketing Fund - To account for economic development revenues restricted specifically for use in marketing Georgetown County to businesses which may consider relocating to Georgetown County.

Special Sheriff's Narcotics Fund - To account for monies seized in relation to drug enforcement activities.

Airport Improvement Fund - To account for proceeds from airport property sales and rentals restricted for improvements at the Georgetown Airport.

Special Economic Development Agreement Fund - To account for fee-in-lieu and other revenues restricted for use in economic development activities in accordance with agreements entered into by Georgetown County and the Georgetown County School District.

Road Improvement Fund - To account for the proceeds and expenditure of County road user fees.

Admissions Tax Fund - To account for admission tax revenues collected by the State and passed through to the County.

Choppee Regional Center Fund - To account for revenues received from "partners" providing public services and utilizing space in the Choppee Regional "One-Stop" Center on a cost-sharing basis with the County.

Local Accommodations & Hospitality Tax Fund - To account for taxes imposed on the short-term rental of hotel rooms and other lodging accommodations and taxes imposed on the sale of prepared food and beverages.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Nonmajor Governmental Funds

Special Revenue Funds (continued)

Murrells Inlet Revitalization Fund - To account for funds received from Sunday alcoholic beverage permits that have been allocated for revitalization of the Murrells Inlet area of the County.

County "Sunday Sales" Permits Fund - To account for funds received from Sunday alcoholic beverage permits not designated for a particular area of the County.

Emergency Telephone System Fund - To account for telephone tariff revenues used in equipping the County's Emergency 911 system.

Landbank Commission Fund - To account for funds collected by way of a real estate "transfer fee" that is no longer allowed to be collected. These funds must be used in accordance with the provisions of Court rulings associated with the discontinuance of the fee.

Bike the Neck Fund - To account for donations associated with construction of bicycle pathways in the Waccamaw Neck area of the County.

Public Safety Grants Fund - To account for grant revenues restricted for public safety projects and services.

Public Works Grants Fund - To account for grant revenues restricted for public works projects and services.

Health & Welfare Grants Fund - To account for grant revenues restricted for health & welfare projects and services.

Economic Development Grant Funds - To account for grant revenues restricted for economic development projects and services designed to stimulate economic development of the County.

Culture & Recreation Grants Fund - To account for grant revenues restricted for culture and recreation projects and services.

Environmental Services Grants Fund - To account for grant revenues restricted for environmental services projects and services.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. A brief description of the County's nonmajor capital projects fund follows:

Capital Equipment Replacement Fund - To account for funds segregated and earmarked for long-term scheduled replacement of capital equipment and vehicles owned and used by the county in providing services to the community.

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COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

Special Revenue Funds

	<u>County Fire (District I)</u>	<u>Midway Fire (District II)</u>	<u>Victims Services</u>	<u>Higher Education</u>	<u>Bureau of Aging Services</u>
Assets					
Cash and investments	\$ 229,595	\$ 1,322,008	\$ 8,810	\$ 189,468	\$ 509,601
Receivables (net of allowances)					
Taxes	103,197	28,125	-	13,447	4,503
From other governments	358	699	-	843	-
Other	17,084	29	-	-	24,251
Prepaid items	-	-	904	-	5,404
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 350,234	\$ 1,350,861	\$ 9,714	\$ 203,758	\$ 543,759
Liabilities and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 73,851	\$ 99,236	\$ 4,921	\$ -	\$ 13,228
Accrued wages and benefits	57,714	77,099	3,889	-	14,485
To other County funds	-	-	-	-	-
Deferred revenue					
Property taxes	87,474	23,714	-	11,422	3,828
Grants	-	-	-	-	-
Total Liabilities	219,039	200,049	8,810	11,422	31,541
Fund Balances					
Nonspendable					
Prepaid items	-	-	904	-	5,404
Restricted for:					
General government programs	-	-	-	192,336	-
Public safety programs	131,195	1,150,812	-	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	506,814
Culture & recreation programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	131,195	1,150,812	904	192,336	512,218
Total Liabilities and Fund Balances	\$ 350,234	\$ 1,350,861	\$ 9,714	\$ 203,758	\$ 543,759

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds

	<u>Clerk of Court Unit Cost</u>	<u>Clerk of Court Incentive</u>	<u>State Accommodations Tax</u>	<u>Economic Development</u>	<u>Economic Development Marketing</u>
Assets					
Cash and investments	\$ 10,250	\$ 99,419	\$ 300,911	\$ 632,760	\$ 108,176
Receivables (net of allowances)					
Taxes	-	-	-	5,632	-
From other governments	-	741	157,511	-	-
Other	-	-	-	-	-
Prepaid items	568	-	-	1,684	-
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 10,818	\$ 100,160	\$ 458,422	\$ 640,076	\$ 108,176
Liabilities and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 4,030	\$ -	\$ 47,253	\$ 9,726	\$ -
Accrued wages and benefits	6,220	-	-	3,500	-
To other County funds	-	-	7,876	-	-
Deferred revenue					
Property taxes	-	-	-	4,788	-
Grants	-	-	-	-	-
Total Liabilities	10,250	-	55,129	18,014	-
Fund Balances					
Nonspendable					
Prepaid items	568	-	-	1,684	-
Restricted for:					
General government programs	-	100,160	-	-	-
Public safety programs	-	-	-	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	-	-	403,293	-	-
Economic development programs	-	-	-	620,378	108,176
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	568	100,160	403,293	622,062	108,176
Total Liabilities and Fund Balances	\$ 10,818	\$ 100,160	\$ 458,422	\$ 640,076	\$ 108,176

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2013

	Special Revenue Funds				
	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement	Road Improvement	Admissions Tax
Assets					
Cash and investments	\$ 22,324	\$ 339,466	\$ 1,645,288	\$ 4,361,986	\$ 16,691
Receivables (net of allowances)					
Taxes	-	-	-	-	-
From other governments	-	-	-	-	36,139
Other	-	-	-	-	-
Prepaid items	-	-	-	362	-
Assets held for resale	-	-	3,456,717	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 22,324	\$ 339,466	\$ 5,102,005	\$ 4,362,348	\$ 52,830
Liabilities and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ -	\$ -	\$ -	\$ 51,610	\$ -
Accrued wages and benefits	-	-	-	2,295	-
To other County funds	-	-	-	-	-
Deferred revenue					
Property taxes	-	-	-	-	-
Grants	-	-	-	-	-
Total Liabilities	-	-	-	53,905	-
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	362	-
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	22,324	-	-	-	-
Public works programs	-	-	-	4,308,081	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	-	-	-	-	52,830
Economic development programs	-	339,466	5,102,005	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	22,324	339,466	5,102,005	4,308,443	52,830
Total Liabilities and Fund Balances	\$ 22,324	\$ 339,466	\$ 5,102,005	\$ 4,362,348	\$ 52,830

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds

	Choppee Regional Center	Local Accommodations & Hospitality Tax	Murrells Inlet Revitalization	County "Sunday Sales" Permits	Emergency Telephone System
Assets					
Cash and investments	\$ 47,594	\$ 464,842	\$ 361,905	\$ 663	\$ 302,565
Receivables (net of allowances)					
Taxes	-	705,339	-	-	-
From other governments	-	-	20,600	12,900	372,354
Other	2,171	-	-	-	-
Prepaid items	2,574	-	-	-	1,005
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	21,973	-	-
Total Assets	\$ 52,339	\$ 1,170,181	\$ 404,478	\$ 13,563	\$ 675,924
Liabilities and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 4,405	\$ -	\$ -	\$ -	\$ 408,592
Accrued wages and benefits	-	-	-	-	3,731
To other County funds	-	-	-	-	-
Deferred revenue					
Property taxes	-	-	-	-	-
Grants	-	-	-	-	-
Total Liabilities	4,405	-	-	-	412,323
Fund Balances					
Nonspendable					
Prepaid items	2,574	-	-	-	1,005
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	-	-	-	-	262,596
Public works programs	-	-	-	-	-
Health & welfare programs	45,360	-	-	-	-
Culture & recreation programs	-	1,170,181	404,478	13,563	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	47,934	1,170,181	404,478	13,563	263,601
Total Liabilities and Fund Balances	\$ 52,339	\$ 1,170,181	\$ 404,478	\$ 13,563	\$ 675,924

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds

	<u>Landbank Commission</u>	<u>Bike the Neck</u>	<u>Public Safety Grants</u>	<u>Public Works Grants</u>	<u>Health & Welfare Grants</u>
Assets					
Cash and investments	\$ -	\$ 29,387	\$ -	\$ -	\$ -
Receivables (net of allowances)					
Taxes	-	-	-	-	-
From other governments	-	-	159,390	404,618	22,996
Other	-	-	-	-	-
Prepaid items	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 29,387</u>	<u>\$ 159,390</u>	<u>\$ 404,618</u>	<u>\$ 22,996</u>
Liabilities and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ -	\$ -	\$ 26,883	\$ 152,825	\$ 257
Accrued wages and benefits	-	-	-	-	-
To other County funds	-	-	136,037	301,955	21,568
Deferred revenue					
Property taxes	-	-	-	-	-
Grants	-	-	-	-	1,171
Total Liabilities	<u>-</u>	<u>-</u>	<u>162,920</u>	<u>454,780</u>	<u>22,996</u>
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	-	-
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	-	-	-	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	-	29,387	-	-	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	(3,530)	(50,162)	-
Total Fund Balances	<u>-</u>	<u>29,387</u>	<u>(3,530)</u>	<u>(50,162)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 29,387</u>	<u>\$ 159,390</u>	<u>\$ 404,618</u>	<u>\$ 22,996</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue Funds			
	Economic Development Grants	Culture & Recreation Grants	Environmental Services Grants	Total Special Revenue Funds
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 11,003,709
Receivables (net of allowances)				
Taxes	-	-	-	860,243
From other governments	33,269	124,957	37,230	1,384,605
Other	-	-	-	43,535
Prepaid items	-	196,974	-	209,475
Assets held for resale	-	-	-	3,456,717
Restricted assets				
Cash and investments	-	-	-	21,973
Total Assets	\$ 33,269	\$ 321,931	\$ 37,230	\$ 16,980,257
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 30,097	\$ 77,214	\$ 2,265	\$ 1,006,393
Accrued wages and benefits	-	-	-	168,933
To other County funds	107,981	106,778	34,965	717,160
Deferred revenue				
Property taxes	-	-	-	131,226
Grants	5,000	44,327	-	50,498
Total Liabilities	143,078	228,319	37,230	2,074,210
Fund Balances				
Nonspendable				
Prepaid items	-	196,974	-	209,475
Restricted for:				
General government programs	-	-	-	292,496
Public safety programs	-	-	-	1,566,927
Public works programs	-	-	-	4,308,081
Health & welfare programs	-	-	-	552,174
Culture & recreation programs	-	-	-	2,073,732
Economic development programs	-	-	-	6,170,025
Assigned for:				
Capital improvements	-	-	-	-
Unassigned	(109,809)	(103,362)	-	(266,863)
Total Fund Balances	(109,809)	93,612	-	14,906,047
Total Liabilities and Fund Balances	\$ 33,269	\$ 321,931	\$ 37,230	\$ 16,980,257

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2013

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Capital Equipment Replacement	
Assets		
Cash and investments	\$ 4,282,387	\$ 15,286,096
Receivables (net of allowances)		
Taxes	-	860,243
From other governments	-	1,384,605
Other	-	43,535
Prepaid items	-	209,475
Assets held for resale	-	3,456,717
Restricted assets		
Cash and investments	-	21,973
Total Assets	\$ 4,282,387	\$ 21,262,644
Liabilities and Fund Balances		
Liabilities		
Payables		
Trade and other accounts	\$ 48,576	\$ 1,054,969
Accrued wages and benefits	-	168,933
To other County funds	-	717,160
Deferred revenue		
Property taxes	-	131,226
Grants	-	50,498
Total Liabilities	48,576	2,122,786
Fund Balances		
Nonspendable		
Prepaid items	-	209,475
Restricted for:		
General government programs	-	292,496
Public safety programs	-	1,566,927
Public works programs	-	4,308,081
Health & welfare programs	-	552,174
Culture & recreation programs	-	2,073,732
Economic development programs	-	6,170,025
Assigned for:		
Capital improvements	4,233,811	4,233,811
Unassigned	-	(266,863)
Total Fund Balances	4,233,811	19,139,858
Total Liabilities and Fund Balances	\$ 4,282,387	\$ 21,262,644

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2013

Special Revenue Funds

	County Fire (District I)	Midway Fire (District II)	Victims Services	Higher Education	Bureau of Aging Services
Revenues					
Property taxes	\$ 2,470,059	\$ 3,152,109	\$ -	\$ 671,634	\$ 222,717
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	90,212	153,260	106,360	119	565,720
Use of money and property	202	1,219	-	144	626
Intergovernmental	-	-	-	-	-
Grants	-	-	-	-	-
Other	19,118	38,537	-	-	16,083
Total Revenues	\$ 2,579,591	\$ 3,345,125	\$ 106,360	\$ 671,897	\$ 805,146
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ 612,000	\$ -
Public safety	2,418,998	3,159,433	194,927	-	-
Public works	-	-	-	-	-
Health & welfare	-	-	-	-	775,279
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	2,418,998	3,159,433	194,927	612,000	775,279
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	34,382	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	34,382	-	-	-
Debt Service					
Principal	4,012	1,290	-	-	4,669
Interest	1,144	368	-	-	1,332
Total Debt Service	5,156	1,658	-	-	6,001
Total Expenditures	\$ 2,424,154	\$ 3,195,473	\$ 194,927	\$ 612,000	\$ 781,280
Excess (Deficiency) of Revenues Over Expenditures	155,437	149,652	(88,567)	59,897	23,866
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	54,324	3,324	-	-	-
Transfers in	-	90,000	88,630	-	-
Transfers out	(210,000)	(360,000)	-	-	(65,000)
Total Other Financing Sources (Uses)	(155,676)	(266,676)	88,630	-	(65,000)
Net Change in Fund Balances	(239)	(117,024)	63	59,897	(41,134)
Fund Balances - Beginning of Year	131,434	1,267,836	841	132,439	553,352
Fund Balances - End of Year	\$ 131,195	\$ 1,150,812	\$ 904	\$ 192,336	\$ 512,218

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

Special Revenue Funds

	<u>Clerk of Court Unit Cost</u>	<u>Clerk of Court Incentive</u>	<u>State Accommodations Tax</u>	<u>Economic Development</u>	<u>Economic Development Marketing</u>
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 278,495	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	50	35,025
Use of money and property	-	75	1,127	549	94
Intergovernmental	194,170	32,051	1,107,232	-	-
Grants	-	-	-	-	-
Other	-	-	-	65,571	-
Total Revenues	\$ 194,170	\$ 32,126	\$ 1,108,359	\$ 344,665	\$ 35,119
Expenditures					
Current					
General government	\$ 143,515	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health & welfare	-	-	-	-	-
Economic development	-	-	-	291,710	27,593
Culture & recreation	-	-	1,019,711	-	-
Environmental services	-	-	-	-	-
Total Current	143,515	-	1,019,711	291,710	27,593
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ 143,515	\$ -	\$ 1,019,711	\$ 291,710	\$ 27,593
Excess (Deficiency) of Revenues Over Expenditures	50,655	32,126	88,648	52,955	7,526
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(50,576)	-	(79,112)	-	-
Total Other Financing Sources (Uses)	(50,576)	-	(79,112)	-	-
Net Change in Fund Balances	79	32,126	9,536	52,955	7,526
Fund Balances - Beginning of Year	489	68,034	393,757	569,107	100,650
Fund Balances - End of Year	\$ 568	\$ 100,160	\$ 403,293	\$ 622,062	\$ 108,176

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds				
	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement	Road Improvement	Admissions Tax
Revenues					
Property taxes	\$ -	\$ -	\$ 35,177	\$ -	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	1,671,780	-
Use of money and property	-	9,224	1,442	4,246	253
Intergovernmental	-	-	-	-	95,002
Grants	-	-	-	-	-
Other	1,150	-	-	-	-
Total Revenues	\$ 1,150	\$ 9,224	\$ 36,619	\$ 1,676,026	\$ 95,255
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	11,143	-	-	-	-
Public works	-	-	-	195,421	-
Health & welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	11,143	-	-	195,421	-
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	1,898,742	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	1,898,742	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ 11,143	\$ -	\$ -	\$ 2,094,163	\$ -
Excess (Deficiency) of Revenues Over Expenditures	(9,993)	9,224	36,619	(418,137)	95,255
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	63,450	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(7,000)	(620,000)
Total Other Financing Sources (Uses)	-	-	63,450	(7,000)	(620,000)
Net Change in Fund Balances	(9,993)	9,224	100,069	(425,137)	(524,745)
Fund Balances - Beginning of Year	32,317	330,242	5,001,936	4,733,580	577,575
Fund Balances - End of Year	\$ 22,324	\$ 339,466	\$ 5,102,005	\$ 4,308,443	\$ 52,830

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

Special Revenue Funds

	<u>Choppee Regional Center</u>	<u>Local Accommodations & Hospitality Tax</u>	<u>Murrells Inlet Revitalization</u>	<u>County "Sunday Sales" Permits</u>	<u>Emergency Telephone System</u>
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local taxes					
Local accommodations	-	1,789,738	-	-	-
Hospitality	-	2,193,634	-	-	-
Fees, licenses and permits	-	-	-	-	430,634
Use of money and property	22,854	420	330	228	297
Intergovernmental	-	-	57,500	56,400	417,867
Grants	-	-	-	-	-
Other	54	-	-	-	290
Total Revenues	\$ 22,908	\$ 3,983,792	\$ 57,830	\$ 56,628	\$ 849,088
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	341,119
Public works	-	-	-	-	-
Health & welfare	23,827	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	15,974	-	-
Environmental services	-	-	-	-	-
Total Current	23,827	-	15,974	-	341,119
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	395,681
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	-	395,681
Debt Service					
Principal	562	-	-	-	251,833
Interest	166	-	-	-	6,896
Total Debt Service	728	-	-	-	258,729
Total Expenditures	\$ 24,555	\$ -	\$ 15,974	\$ -	\$ 995,529
Excess (Deficiency) of Revenues Over Expenditures	(1,647)	3,983,792	41,856	56,628	(146,441)
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(3,977,000)	-	(565,000)	-
Total Other Financing Sources (Uses)	-	(3,977,000)	-	(565,000)	-
Net Change in Fund Balances	(1,647)	6,792	41,856	(508,372)	(146,441)
Fund Balances - Beginning of Year	49,581	1,163,389	362,622	521,935	410,042
Fund Balances - End of Year	\$ 47,934	\$ 1,170,181	\$ 404,478	\$ 13,563	\$ 263,601

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2013

	Special Revenue Funds				
	Landbank Commission	Bike the Neck	Public Safety Grants	Public Works Grants	Health & Welfare Grants
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	-	-
Use of money and property	-	47	-	-	-
Intergovernmental	-	-	-	-	-
Grants	-	-	438,138	526,343	110,433
Other	-	695	-	-	-
Total Revenues	\$ -	\$ 742	\$ 438,138	\$ 526,343	\$ 110,433
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	361,889	-	-
Public works	-	-	-	13,551	-
Health & welfare	-	-	-	-	110,338
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	-	-	361,889	13,551	110,338
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	73,028	-	-
Public works	-	-	-	555,834	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	73,028	555,834	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 434,917	\$ 569,385	\$ 110,338
Excess (Deficiency) of Revenues Over Expenditures	-	742	3,221	(43,042)	95
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(151,620)	(45,369)	-	-	-
Total Other Financing Sources (Uses)	(151,620)	(45,369)	-	-	-
Net Change in Fund Balances	(151,620)	(44,627)	3,221	(43,042)	95
Fund Balances - Beginning of Year	151,620	74,014	(6,751)	(7,120)	(95)
Fund Balances - End of Year	\$ -	\$ 29,387	\$ (3,530)	\$ (50,162)	\$ -

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds			
	Economic Development Grants	Culture & Recreation Grants	Environmental Services Grants	Total Special Revenue Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 6,830,191
Local taxes				
Local accommodations	-	-	-	1,789,738
Hospitality	-	-	-	2,193,634
Fees, licenses and permits	-	-	-	3,053,160
Use of money and property	-	-	-	43,377
Intergovernmental	-	-	-	1,960,222
Grants	860,303	239,616	66,935	2,241,768
Other	-	-	-	141,498
Total Revenues	\$ 860,303	\$ 239,616	\$ 66,935	\$ 18,253,588
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ 755,515
Public safety	-	-	-	6,487,509
Public works	-	-	-	208,972
Health & welfare	-	-	-	909,444
Economic development	772,414	-	-	1,091,717
Culture & recreation	-	145,880	-	1,181,565
Environmental services	-	-	66,935	66,935
Total Current	772,414	145,880	66,935	10,701,657
Capital Outlay				
General government	-	-	-	-
Public safety	-	-	-	503,091
Public works	-	-	-	2,454,576
Economic development	191,551	-	-	191,551
Culture & recreation	-	188,011	-	188,011
Total Capital Outlay	191,551	188,011	-	3,337,229
Debt Service				
Principal	-	-	-	262,366
Interest	-	-	-	9,906
Total Debt Service	-	-	-	272,272
Total Expenditures	\$ 963,965	\$ 333,891	\$ 66,935	\$ 14,311,158
Excess (Deficiency) of Revenues Over Expenditures	(103,662)	(94,275)	-	3,942,430
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	121,098
Transfers in	-	45,369	-	223,999
Transfers out	-	-	-	(6,130,677)
Total Other Financing Sources (Uses)	-	45,369	-	(5,785,580)
Net Change in Fund Balances	(103,662)	(48,906)	-	(1,843,150)
Fund Balances - Beginning of Year	(6,147)	142,518	-	16,749,197
Fund Balances - End of Year	\$ (109,809)	\$ 93,612	\$ -	\$ 14,906,047

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Capital Equipment Replacement	
Revenues		
Property taxes	\$ -	\$ 6,830,191
Local taxes		
Local accommodations	-	1,789,738
Hospitality	-	2,193,634
Fees, licenses and permits	-	3,053,160
Use of money and property	3,308	46,685
Intergovernmental	-	1,960,222
Grants	-	2,241,768
Other	104,696	246,194
Total Revenues	\$ 108,004	\$ 18,361,592
Expenditures		
Current		
General government	\$ 8,000	\$ 763,515
Public safety	-	6,487,509
Public works	-	208,972
Health & welfare	-	909,444
Economic development	-	1,091,717
Culture & recreation	-	1,181,565
Environmental services	-	66,935
Total Current	8,000	10,709,657
Capital Outlay		
General government	39,886	39,886
Public safety	1,607,686	2,110,777
Public works	315,183	2,769,759
Economic development	-	191,551
Culture & recreation	416,946	604,957
Total Capital Outlay	2,379,701	5,716,930
Debt Service		
Principal	1,340,131	1,602,497
Interest	149,318	159,224
Total Debt Service	1,489,449	1,761,721
Total Expenditures	\$ 3,877,150	\$ 18,188,308
Excess (Deficiency) of Revenues Over Expenditures	(3,769,146)	173,284
Other Financing Sources (Uses)		
Proceeds from capital lease financing	1,131,161	1,131,161
Proceeds from sale of assets	-	121,098
Transfers in	1,587,400	1,811,399
Transfers out	-	(6,130,677)
Total Other Financing Sources (Uses)	2,718,561	(3,067,019)
Net Change in Fund Balances	(1,050,585)	(2,893,735)
Fund Balances - Beginning of Year	5,284,396	22,033,593
Fund Balances - End of Year	\$ 4,233,811	\$ 19,139,858

Schedule of Fines, Assessments and Surcharges

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Fines, Assessments and Surcharges

For the Year Ended June 30, 2013

Fines & Fees - State Portion

Public Defender Application Fees	\$	200
Bond Estreatment		3,347
Circuit/Family Court Motion Fees		52,050
Family Court Alimony/Child Support Fees		119,583
Circuit/Family Court Fines & Other		14,306
Circuit/Family Court Filing Fees		157,424
Magistrate Court Filing Assessments		26,895
Total Fines & Fees - State Portion	\$	<u>373,805</u>

DUI Assessments & Surcharges - State Portion

Boating Under the Influence	\$	200
Magistrate Court DUI		676
Magistrate Court DUI, DPS Pullout		11,045
General Sessions Court DUI Surcharge		384
Magistrate Court DUI Surcharge		5,637
General Sessions Court DUI DPS Pullout		422
Magistrate Court DUI DPS Pullout		36
DUI/DUAC Breathalyzer Test Conviction Fee - SLED		1,009
Total DUI Assessments - State Portion	\$	<u>19,409</u>

Other Surcharges - State Portion

General Sessions Court Drug Surcharge	\$	5,611
Magistrate Court Drug Surcharge		8,865
General Sessions Court Law Enforcement Surcharge		4,605
Magistrate Court Law Enforcement Surcharge		222,272
General Sessions Court Criminal Justice Academy Surcharge		787
Magistrates Court Criminal Justice Academy Surcharge		44,030
Total Other Surcharges - State Portion	\$	<u>286,170</u>

Other Assessments - State Portion

General Sessions Court	\$	5,482
Magistrate Court		449,149
Total Other Assessments - State Portion	\$	<u>454,631</u>

Victims Assessments - County Portion

General Sessions Court	\$	2,316
Magistrate Court		56,400
Total Victims Assessments - County Portion	\$	<u>58,716</u>

Victims Surcharges - County Portion

General Sessions Court	\$	20,717
Magistrate Court		26,927
Total Victims Surcharges - County Portion	\$	<u>47,644</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Fines, Assessments and Surcharges

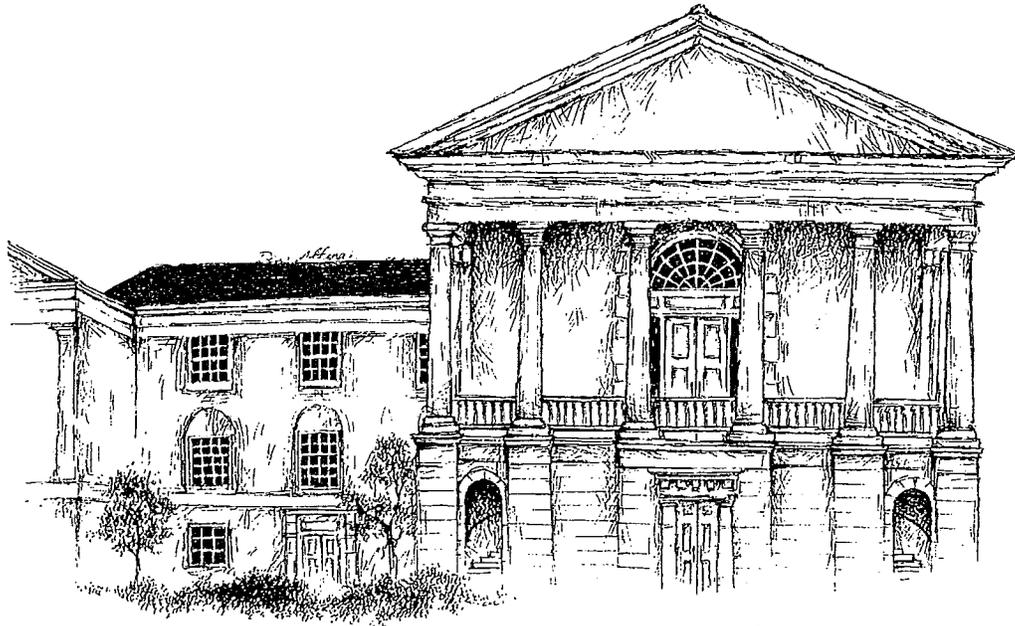
For the Year Ended June 30, 2013

Summary of Changes in Victims Services Fund Balance

Victims Services Assessments and Surcharges	\$ 106,360
Contributions from General Fund	58,630
Contributions from Law Enforcement Fund	30,000
Victims Services Interest Earnings	-
Current Year Victims Services Expenditures	<u>(194,927)</u>
Increase (Decrease) in Victims Services Fund Balance	63
Victims Services Fund Balance - Beginning of Year	<u>841</u>
Victims Services Fund Balance - End of Year	<u>\$ 904</u>

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SINGLE AUDIT SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Direct Programs			
Carvers Bay Library Computers	10.766	SC-00-06	\$ 205
Library Bookmobile	10.766	SC-00-04 Georgetown	43,700
Library Bookmobile	10.766	SC-00-05 Georgetown	17,547
Passed through State			
S.C. Department of Social Services			
Food Nutrition Service (FNS)			
State Administrative Matching Grant Food Stamp Program & FS Fraud	10.561	5SC400407	14,891
			<u>76,343</u>
U.S. Department of Housing and Urban Development			
Direct Programs			
Home Investment Partnership	14.239	M-08-DC-45-0211	10,365
Home Investment Partnership	14.239	M-09-DC-45-0214	50,660
Home Investment Partnership	14.239	M-10-DC-45-0214	325,369
Home Investment Partnership	14.239	M-11-DC-45-0214	23,577
Home Investment Partnership	14.239	M-12-DC-45-0214	33,807
Passed through State			
S.C. Department of Commerce			
CDBG - Maryville Sewer Improvements	14.228	4-CI-11-011	1,700
CDBG - Annie Village Sewer Improvements	14.228	4-CI-12-009	8,000
CDBG - Plantersville Sewer Improvements	14.228	4-A-12-001	9,250
CDBG - Community Planning	14.228	4-RP-11-008	49,999
			<u>512,727</u>
U.S. Department of Justice			
Direct Programs			
State Criminal Alien Assistance Program - Detention Center	16.606	N/A	3,335
COPS - Secure Our Schools	16.710	2009-CK-WX-0753	50,303
Byrne - Technology & Equipment Enhancement	16.738	2012-DJ-BX-1155	18,904
Passed through State			
S.C. Department of Public Safety			
SRO Program	16.803	1G12018	66,894
			<u>139,436</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Direct Programs			
Georgetown Airport RSA Grading - Runway 523	20.106	3-45-0025-012-2010	5,653
Georgetown Airport Runway & Taxiway Lighting Rehab	20.106	3-45-0025-013-2011	32,170
Georgetown Airport Taxiway Extension & Land Acquisition	20.106	3-45-0025-014-2012	17,019
Andrews Hangar Taxiway	20.106	3-45-0005-006-2012	49,711
Passed through State			
<i>S.C. Department of Commerce, Aeronautics Commission</i>			
Georgetown Airport - Runway 523 Taxiway Rehab	20.106	3-45-0005-018-2012	96,142
			<u>200,695</u>
Institute of Museums & Library Services			
Passed through State			
<i>S.C. State Library</i>			
LSTA Fast Track	45.310	IID-11-02	6,007
LSTA Fast Track	45.310	IID-11-29	1,000
LSTA Library Early Childhood Literacy Program	45.310	IID-12-05	21,331
LSTA National Geneological Society Conference	45.310	IIIA-12-18	600
			<u>28,938</u>
National Science Foundation			
Passed through CALIFA Group			
Education and Human Resources Program			
Pushing the Limits	47.076	N/A	2,500
			<u>2,500</u>
U.S. Environmental Protection Agency			
Passed through State			
<i>S.C. Department of Health & Environmental Control</i>			
Best Management Practices for Fecal Coliform			
Load Reduction to Shellfish Waters	66.460	EQ-0-169	102,333
			<u>102,333</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services			
Passed through State and Others			
<i>S.C. Department of Social Services</i>			
Child Support Enforcement IV-D			
Filing Fees	93.563	G1301SC1401	32,850
Service of Process Payments	93.563	G1301SC1401	19,783
Transaction Reimbursement	93.563	G1301SC1401	174,385
Administration for Children & Families Program			
Family Preservation (CWS Part II)	93.556	G1310SCFPSS	160
Temporary Assistance for Needy Families - TANF Block Grant	93.558	G1302SCTANF	19,234
Child Support Enforcement	93.563	G1301SC1401	26
Child Care Development Fund	93.596	G1301SCCCDF	244
Child Welfare Services - State Grant	93.645	G1301SC1400	847
Title IV-E Foster Care	93.658	G1301SC1401	7,827
Social Services Block Grant Administration	93.667	G1302SCSOSR	5,287
Centers for Medicare & Medicaid Services (CMS)			
Medicaid Administration	93.778	N/A	12,074
<i>S.C. Lieutenant Governor's Office - Office on Aging</i>			
Disease Prevention (ARRA)	93.725	ARAEB10	6,557
<i>University of Maryland - Baltimore</i>			
National Library of Medicine - NN/LM Express Training	93.879	N/A	1,000
			<u>280,274</u>
U.S. Department of Homeland Security			
Direct Programs			
Staffing for Adequate Fire & Emergency Response	97.044	EMW-2010-FH-00399	118,224
Assistance to Firefighters - Operations & Safety Program	97.044	EMW-2011-FO-05899	2,839
Passed through State			
<i>S.C. Emergency Management Division</i>			
LEMPG	97.042	11EMPG01	12,075
LEMPG	97.042	12EMPG01	56,915
CERT	97.067	09SHSP51	3,269
			<u>193,322</u>
		Grand Total	<u>\$ 1,536,568</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2013

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Georgetown, South Carolina, and is presented on the modified accrual basis of accounting. The information 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.

Note 2 – Loan Balance

The County has an Energy Efficiency & Conservation Loan Program loan balance in the amount of \$411,461 outstanding as of June 30, 2013. The loan proceeds, funded by a U.S. Department of Energy Loan Program pass-through from the S.C. Budget & Control Board, were completely expended and reported in the Schedule of Expenditures of Federal Awards in prior years.

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
Georgetown County, South Carolina
Georgetown, 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 Georgetown County, South Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Georgetown County, South Carolina's basic financial statements and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Georgetown 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 Georgetown County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Georgetown 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Georgetown 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*.

Georgetown County, South Carolina's Response to Findings

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

Purpose of this Report

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2013

**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
Georgetown County, South Carolina
Georgetown, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Georgetown 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 Georgetown County, South Carolina's major federal programs for the year ended June 30, 2013. Georgetown 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 Georgetown 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 Georgetown 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 Georgetown County, South Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, Georgetown 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, 2013.

Report on Internal Control Over Compliance

Management of Georgetown 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 Georgetown 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 Georgetown 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.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2013

**GEORGETOWN COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

I. Summary of Auditors' Results:

- A. The auditors' report expresses an unmodified opinion on the financial statements of Georgetown County, South Carolina.
- B. One significant deficiency and no material weakness was disclosed during the audit of the financial statements are reported in Part II below.
- C. No instances of noncompliance material to the financial statements of Georgetown County, South Carolina which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies or material weaknesses in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs for Georgetown County, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
- G. Major federal program for Georgetown County, South Carolina for the fiscal year ended June 30, 2013 is:

<u>Program Name</u>	<u>CFDA #</u>
Home Investment Partnerships Program	14.239

- H. The threshold for determining Type A programs for Georgetown County, South Carolina is \$300,000.
- I. Georgetown County, South Carolina qualified as a low risk auditee.

II. Findings Related to the Audit of the Financial Statements of Georgetown County, South Carolina:

Finding 2013-1:

Criteria:

Each bank account should be reconciled and agreed to the general ledger.

Condition:

The County Treasurer's property tax bank account had not been reconciled to the County's general ledger.

Cause:

The Treasurer's Office was unable to reconcile the property tax bank account to the general ledger.

Effect:

Cash may be incorrectly recorded on the general ledger.

**GEORGETOWN COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

II. Findings Related to the Audit of the Financial Statements of Georgetown County, South Carolina (continued):

Finding 2013-1 (continued):

Recommendation:

Despite considerable effort by the Treasurer's Office, this bank account has not been reconciled for several years. We recommend that this account be closed and a new bank account opened in order to facilitate reconciliation.

Management's Response:

The Treasurer's Office believes errors exist within the software programming which prevents the Treasurer's Office from reconciling. On a daily basis, cashiers reports, daily check registers, and deposits are balanced to the general ledger. On a monthly basis all transactions are balanced to the monthly general ledger and bank statement from TD Bank (tax account). We strongly suggest not closing this account; instead create a journal entry to adjust the difference. This should take place at the end of December 2013.

Auditors' Conclusion:

We agree that errors exist within the software programming which prevents the Treasurer's Office from properly reconciling the TD Bank (tax account) to the ledger used by the Office. This ledger does not agree to the books of record of the County. Procedures should be incorporated to reconcile to the books of record of the County.

III. Findings and Questioned Costs Related to the Audit of Federal Awards:

There were no findings noted for the year ended June 30, 2013 that are required to be reported in accordance with OMB Circular A-133 criteria.

IV. Prior Audit Findings Related to the Audit of the Financial Statements of Georgetown County, South Carolina:

Finding 2013-1 was a finding during the audit year ended June 30, 2012.