

County of Georgetown
South Carolina



**Audited Basic Financial Statements
and Supplementary Information**

For the Year Ended June 30, 2014

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2014

This page is intentionally left blank.

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2014**

Table of Contents

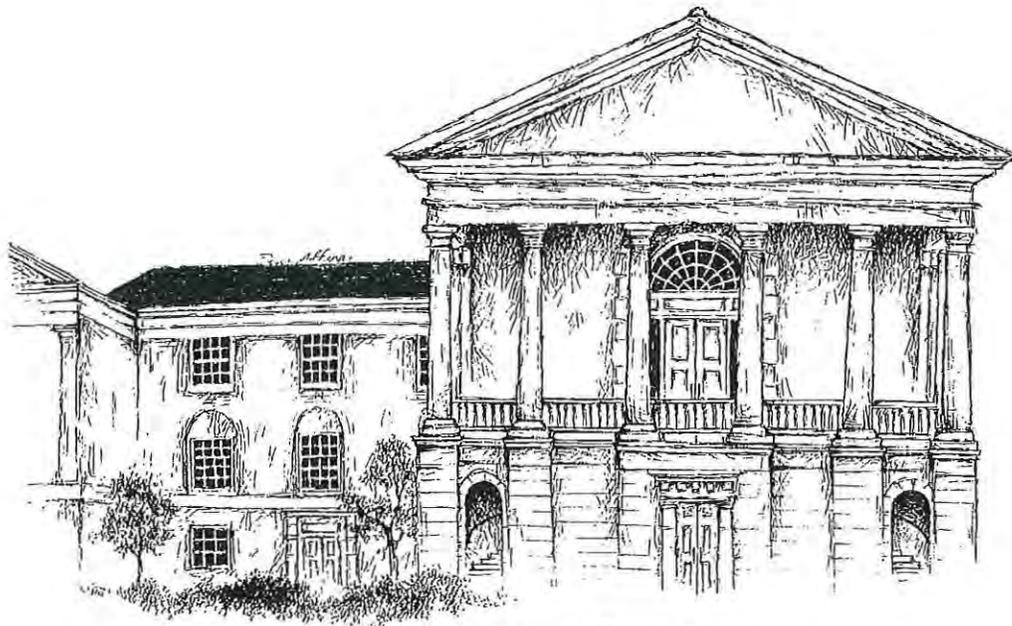
	Page
Introductory Section:	
List of Principal County Officials.....	1
Financial Section:	
Independent Auditors' Report	3-4
Management Discussion and Analysis.....	5-15
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Net Position - Proprietary Funds.....	28
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30-31
Statement of Fiduciary Net Position - Fiduciary Funds	32
Notes to Financial Statements.....	33-56

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2014**

Table of Contents

	Page
Financial Section (continued):	
Required Supplementary Information:	
Schedule of Funding Progress – Post-Employment Healthcare Plan	58
Budgetary Comparison Schedule - General Fund	59-70
Budgetary Comparison Schedule - Law Enforcement Fund	71-73
Notes to Required Supplementary Information	74
Other Supplementary Information:	
Combining Nonmajor Governmental Fund Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	81-86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	87-92
Schedule of Fines, Assessments, and Surcharges:	
Schedule of Fines, Assessments, and Surcharges	94-95
Single Audit Section:	
Schedule of Expenditures of Federal Awards	97-99
Notes to Schedule of Expenditures of Federal Awards	100
Independent Auditors' 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	101-102
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	103-104
Schedule of Findings and Questioned Costs	105-106

INTRODUCTORY SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

List of Principal County Officials

June 30, 2014

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

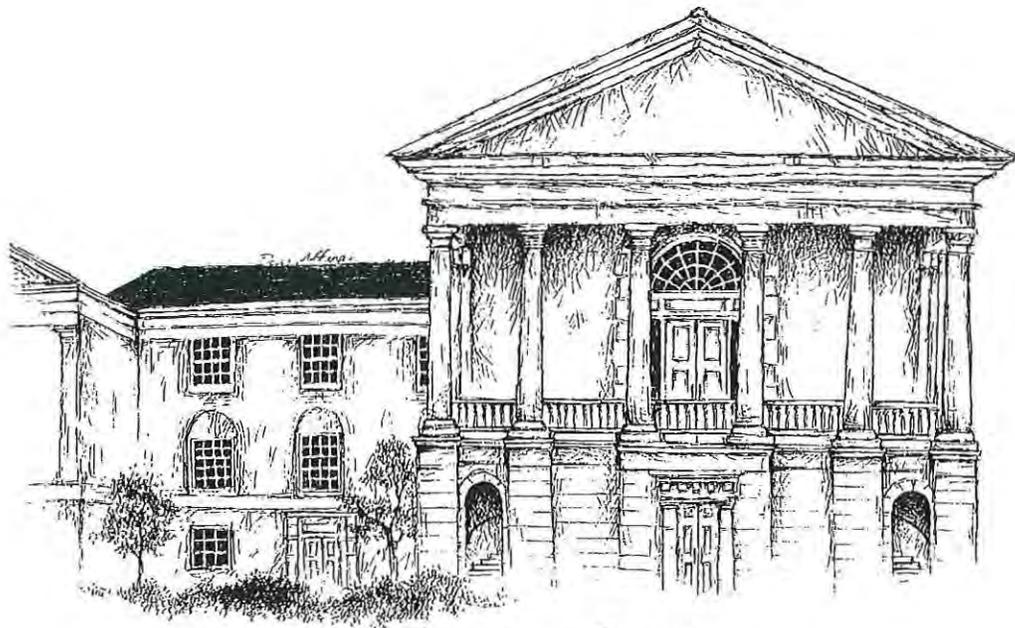
Loretta D. Washington-Cooper	Treasurer
Brian D. Shult	Auditor
Alma White	Clerk of Court
Kenneth M. Johnson	Coroner
Waldo A. Maring	Probate Judge
A. Lane Cribb	Sheriff

Administrative Officials

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

This page is intentionally left blank.

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, and the budgetary comparison information on pages 5-15, 58, and 59-73, 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 16, 2014, 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 16, 2014

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

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, 2014. 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 \$72.6 million and **expenses** amounted to approximately \$72.7 million, resulting in a decrease to **net position** of approximately \$0.1 million, virtually no change for the fiscal year.
- **Unrestricted net position** totaled approximately \$11.0 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 \$2.4 million during the current year bringing the total book value of capital assets at year-end to approximately \$146.1 million.
- Total **outstanding debt** of the County reduced by approximately \$3.1 million, bringing the total outstanding debt at year-end to approximately \$87.3 million.
- At the close of the fiscal year, the County's governmental funds reported combined **fund balances** of approximately \$61.9 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, liabilities, and deferred inflows/outflows of resources, with the difference 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, 2014

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 81-92 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 33-56 of this report.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014**

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 57-74 of this report.

Other supplementary information is presented immediately following the required supplementary information. This information, which can be found on pages 75-95, 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 and deferred outflows of resources exceeded liabilities by approximately \$123.4 million at the close of the most recent fiscal year.

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets*	\$ 74,151,970	\$ 69,364,586	\$ 16,025,202	\$ 16,964,168	\$ 90,177,172	\$ 86,328,754
Capital assets	<u>129,664,246</u>	<u>132,417,699</u>	<u>14,023,389</u>	<u>13,718,675</u>	<u>143,687,635</u>	<u>146,136,374</u>
Total assets	<u>\$ 203,816,216</u>	<u>\$ 201,782,285</u>	<u>\$ 30,048,591</u>	<u>\$ 30,682,843</u>	<u>\$ 233,864,807</u>	<u>\$ 232,465,128</u>
Deferred outflows of resources	\$ --	\$ 839,590	\$ --	\$ --	\$ --	\$ 839,590
Total deferred outflows of resources	<u>\$ --</u>	<u>\$ 839,590</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 839,590</u>
Current and other liabilities	\$ 6,139,853	\$ 6,829,806	\$ 477,992	\$ 633,442	\$ 6,617,845	\$ 7,463,248
Long-term liabilities outstanding	<u>93,697,652</u>	<u>91,764,316</u>	<u>10,140,210</u>	<u>10,714,675</u>	<u>103,837,862</u>	<u>102,478,991</u>
Total liabilities	<u>\$ 99,837,505</u>	<u>\$ 98,594,122</u>	<u>\$ 10,618,202</u>	<u>\$ 11,348,117</u>	<u>\$ 110,455,707</u>	<u>\$ 109,942,239</u>
Net position						
Net investment in capital assets	\$ 65,704,116	\$ 54,398,342	\$ 11,244,760	\$ 11,120,342	\$ 76,948,876	\$ 65,518,684
Restricted	30,177,253	29,278,700	--	--	30,177,253	29,278,700
Unrestricted (as restated)*	<u>8,097,342</u>	<u>20,350,711</u>	<u>8,185,629</u>	<u>8,214,384</u>	<u>16,282,971</u>	<u>28,565,095</u>
Total net position – June 30	<u>\$103,978,711</u>	<u>\$ 104,027,753</u>	<u>\$ 19,430,389</u>	<u>\$ 19,334,726</u>	<u>\$123,409,100</u>	<u>\$ 123,362,479</u>

* "Current and other assets" and "unrestricted net position of the governmental activities" at June 30, 2013, have been restated in conjunction with implementation of GASB Statement #65 which required previously deferred bond issuance costs in the amount of \$1,146,436 to be recognized retroactively as expenses to prior years.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

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 \$65.5 million, or about 53.1% of total net position. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Approximately \$29.3 million, or 23.7% 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 \$28.6 million, or 23.2% 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	
	2013	2014	2013	2014	2013	2014
Revenues						
Program Revenues						
Charges for services	\$ 7,094,689	\$ 7,637,844	\$ 4,682,162	\$ 4,842,953	\$ 11,776,851	\$ 12,480,797
Operating grants and contributions	4,952,959	6,444,620	25,000	25,000	4,977,959	6,469,620
Capital grants and contributions	326,828	2,503,281	5,000	5,000	331,828	2,508,281
General Revenues						
Property taxes	33,922,142	35,070,117	2,622,799	2,638,136	36,544,941	37,708,253
Local accommodations and hospitality taxes	3,983,372	4,362,192	--	--	3,983,372	4,362,192
Local government fund	2,212,951	2,222,220	--	--	2,212,951	2,222,220
Federal interest subsidy	654,801	637,150	--	--	654,801	637,150
Franchise fees	1,149,269	1,246,548	--	--	1,149,269	1,246,548
Road user fees	1,671,780	1,763,820	--	--	1,671,780	1,763,820
Other revenue	2,140,183	2,432,808	25,393	324,084	2,165,576	2,756,892
Investment earnings	19,980	129,240	13,405	10,143	33,385	139,383
Gain (loss) on disposal of assets	168,272	253,794	78,660	63,070	246,932	316,864
Total Revenues	\$ 58,297,226	\$ 64,703,634	\$ 7,452,419	\$ 7,908,386	\$ 65,749,645	\$ 72,612,020
Expenses						
General government	\$ 15,441,484	\$ 15,987,442	\$ --	\$ --	\$ 15,441,484	\$ 15,987,442
Public safety	23,466,527	25,305,801	--	--	23,466,527	25,305,801
Public works	3,040,324	7,658,750	--	--	3,040,324	7,658,750
Health & welfare	1,739,725	1,626,974	--	--	1,739,725	1,626,974
Economic development	2,337,306	4,378,283	--	--	2,337,306	4,378,283
Culture & recreation	5,685,356	5,854,233	--	--	5,685,356	5,854,233
Environmental services	66,935	24,935	5,626,059	6,222,709	5,692,994	6,247,644
Stormwater management	--	--	657,589	1,533,690	657,589	1,533,690
Interest and other charges	3,395,059	4,065,824	--	--	3,395,059	4,065,824
Total Expenses	\$ 55,172,716	\$ 64,902,242	\$ 6,283,648	\$ 7,756,399	\$ 61,456,364	\$ 72,658,641
Increase (Decrease) in Net Position before Transfers	\$ 3,124,510	\$ (198,608)	\$ 1,168,771	\$ 151,987	\$ 4,293,281	\$ (46,621)
Transfers (net)	247,650	247,650	(247,650)	(247,650)	--	--
Increase (Decrease) in Net Position	\$ 3,372,160	\$ 49,042	\$ 921,121	\$ (95,663)	\$ 4,293,281	\$ (46,621)
Net Position – July 1 (as restated)	100,606,551	103,978,711	18,509,268	19,430,389	119,115,819	123,409,100
Net Position – June 30	\$ 103,978,711	\$ 104,027,753	\$ 19,430,389	\$ 19,334,726	\$ 123,409,100	\$ 123,362,479

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

As reflected above, the County's total revenues increased by approximately \$6.9 million, or about 10.4%, during the most recent year. Expenses increased by approximately \$11.2 million, about 18.2%. The overall change to net position resulting from the current year's activities was minimal, a reduction of less than \$50,000.

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

Governmental Activities

The cost of all *governmental* activities this year was \$64.9 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 (\$7.6 million) and from other governments and organizations that subsidized certain programs with grants and contributions (\$8.9 million). The County paid for the remaining \$48.3 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 25.6% of total revenues from governmental activities in fiscal year 2014. Within this category, funding from *fees charged for services* increased by about 7.7% from the prior year. Some of the more significant positive variances from the prior year were increases in building permit fees, contractor registration fees, EMS fees, utility franchise fees and traffic fines. Some of the relatively significant decreases in fees include decreases in Master in Equity fees, detention center fees for federal detainees, and delinquent tax fees. *Revenue from grants and contributions* increased, by about 69.5%. The increase 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. Significant grants funded in fiscal year 2014 include Home Investment Partnership, CDBG sewer improvements, and various airport improvements grants.

General revenues accounted for the remaining 74.4% of revenues generated from governmental activities. In total, general revenues of governmental activities increased by \$2.2 million, or about 4.8% from the prior year. Property tax revenue increased by about 3.3% as a result of growth in tax base and millage increases. Local accommodations and hospitality taxes continued to grow, this year by a very healthy 9.5%.

A continuing sign of economic recovery is evident in a very substantial increase in impact fee revenue of approximately 31.7% over the prior year. This increase directly relates to new construction activity. The Local Government Fund revenues allocated by the State to local governments basically matched the prior year allocation; however, the state legislature again over-rode statutory formulas and funded local governments at far less than the statutory formulas call for. We continue to monitor closely the legislative action on this issue as we work on developing the County's budget each year.

Expenses of the County's governmental activities increased by \$9.7 million, or about 17.6%, 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. Increased grant program spending accounted for the major part of the overall increase in spending of the governmental activities. In addition, after several years of economic reality imposed freezes in compensation increases, Council approved a phased implementation of the results of a compensation study which indicated adjustments in pay were not only called for, but were critically needed. 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, 2014

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Business-Type Activities

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 increased by approximately \$0.5 million, or about 6.1%. The increase in revenues is primarily the result of large insurance reimbursements and increased landfill tipping fee collections. Expenses increased significantly this year, approximately 23.4%, as a result of increased landfill closure and postclosure care cost recognition, compensation increases, and non-capitalized drainage project work.

CAPITAL ASSETS

At the end of FY 2014, the County had approximately \$146.1 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 \$2.4 million, or 1.7%, over last year. The largest increase is reflected in the County's net investment in the regional parks recently completed.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 22,742,813	\$ 22,741,813	\$ 740,718	\$ 740,718	\$ 23,483,531	\$ 23,482,531
Improvements	26,908,751	54,051,736	15,339,483	16,478,561	42,248,234	70,530,297
Buildings	53,272,869	55,232,932	417,150	417,150	53,690,019	55,650,082
Infrastructure	23,584,475	24,009,534	--	--	23,584,475	24,009,534
Mining rights	--	--	225,000	225,000	225,000	225,000
Software	525,106	525,106	70,623	70,623	595,729	595,729
Furniture & fixtures	763,083	943,287	--	--	763,083	943,287
Machinery & equipment	20,919,017	21,515,613	5,838,541	6,303,873	26,757,558	27,819,486
Automotive equipment	21,934,594	22,679,212	2,891,920	2,815,823	24,826,514	25,495,035
Construction in progress	<u>35,913,491</u>	<u>14,330,188</u>	<u>791,627</u>	<u>432,200</u>	<u>36,705,118</u>	<u>14,762,388</u>
	\$ 206,564,199	\$ 216,029,421	\$ 26,315,062	\$ 27,483,948	\$ 232,879,261	\$ 243,513,369
Total accumulated depreciation	<u>(76,899,953)</u>	<u>(83,611,722)</u>	<u>(12,291,673)</u>	<u>(13,765,273)</u>	<u>(89,191,626)</u>	<u>(97,376,995)</u>
Net Capital Assets	<u>\$ 129,664,246</u>	<u>\$ 132,417,699</u>	<u>\$ 14,023,389</u>	<u>\$ 13,718,675</u>	<u>\$ 143,687,635</u>	<u>\$ 146,136,374</u>

This year's major capital purchases included:

- Purchase of 40 vehicles for various departments (\$1,476,000)
- Purchase of 2 excavators (\$446,000)
- Purchase of 2 backhoe loaders (\$184,000)
- Purchase of 1 heavy duty truck (\$151,000)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

CAPITAL ASSETS (CONTINUED)

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

- Regional recreational parks improvements project (\$1,647,000)
- Murrells Inlet Community Center project (\$1,216,000)
- New Waccamaw Neck Library (\$809,000)
- Magistrate's/Sheriff's Litchfield Exchange satellite office project (\$599,000)
- Fleet maintenance facility project (\$429,000)
- Howard auditorium/gym project (\$362,000)
- Road paving projects (\$1,143,000)
- Murrells Inlet jetty view walk project (\$97,000)
- "Old Courthouse" remodeling project (\$91,000)
- Various airport projects (\$2,060,000)
- Stormwater drainage improvement projects (\$806,000)

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 \$87.3 million in bonds, notes, loans and lease obligations outstanding at year-end versus \$91.4 million last year, a decrease of about 4.4%.

The only 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	
	2013	2014	2013	2014	2013	2014
General obligation bonds	\$ 29,540,000	\$ 28,475,000	\$ --	\$ --	\$ 29,540,000	\$ 28,475,000
Installment purchase revenue bonds	47,565,000	45,635,000	--	--	47,565,000	45,635,000
Plus: Unamortized premiums	3,401,332	3,188,452	--	--	3,401,332	3,188,452
Less: Unamortized discounts	(346,385)	(325,285)	--	--	(346,385)	(325,285)
Net bonds payable	\$ 80,159,947	\$ 76,973,167	\$ --	\$ --	\$ 80,159,947	\$ 76,973,167
Loans payable	411,461	365,190	--	--	411,461	365,190
Capital lease obligations	8,012,572	7,326,229	2,778,641	2,636,649	10,791,213	9,962,878
Totals	<u>\$ 88,583,980</u>	<u>\$ 84,664,586</u>	<u>\$ 2,778,641</u>	<u>\$ 2,636,649</u>	<u>\$ 91,362,621</u>	<u>\$ 87,301,235</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

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, 2014, the amount of new general obligation debt that could be issued without referendum was approximately \$14.7 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 \$61.9 million, a decrease of \$5.2 million compared to last year's total. Of the total \$61.9 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 \$34.0 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 \$21.8 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 \$5.4 million is basically the combination of amounts available for future appropriation in the County's general fund (9.5 million) and deficit fund balances in various grant funds where expenditures were incurred, but accounting criteria under the modified accrual basis of accounting had not been met for revenue recognition.

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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

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.

Supplemental appropriations in the amount of \$574,183 were authorized by Council for the general fund during the year. Of that amount, \$152,875 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 \$284,630 for compensation increases effective at mid-year, and \$136,678 for required grant matches.

Total general fund revenues had a positive variance in total from budget by about \$491,000 after considering proceeds from the sale of surplus County assets and transfer to other County funds. There were several revenue sources with notable variances from the budget amounts:

- Utility franchise fees – Approximately \$85,000 over budget estimates
- EMS fees – Approximately \$199,000 over budget estimates
- Building permit fees – Approximately \$124,000 over budget estimates
- Timber Sales – Approximately \$117,000 over budget estimates (no revenue was projected)
- Recording fees – Approximately \$57,000 under budget estimates
- Delinquent tax fees – Approximately \$47,000 under budget estimates

Actual expenditures incurred were approximately \$633,000 less than appropriated. Significant variances from budget resulted primarily from the following:

- Relatively minor savings in personnel costs resulting from temporary vacancies and delays in filling positions. These savings totaled approximately \$87,000 for the year.
- Approximately \$51,000 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.
- Approximately \$50,000 in travel and subsistence savings.
- 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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when developing the fiscal year 2015 budget. Some of the factors considered were the national, state and local economic forecasts, 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 four 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. There was a large increase in impact fee collections in the last two years, 21.9% in fiscal year 2013, and 31.7% in fiscal year 2014. All indicators we have point to continued recovery from the extended economic difficulties that began in the 2008 timeframe.

Most revenue sources in the County's fiscal year 2015 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 FY2015. 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, bureau of aging services fund, environmental services fund, and the two County fire district funds 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 service 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. The results of that study confirmed that, in general, the County's compensation was lagging behind other similar employers and others that compete for our labor force. Council committed to a phased implementation of compensation increases over the course of several years to bring our compensation to a competitive level. The fiscal year 2015 budget provides for cost of living adjustments and the full annual impact of raises implemented on January 1, 2014.

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 \$563,000, of unassigned fund balance in the General Fund to balance the FY2015 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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

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

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 \$9.5 million, only slightly less than the \$9.6 million from the prior year. Fund balance policies adopted by Council 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 2015 budget include:

- Tax millage increases in the General Fund, Law Enforcement Fund, Bureau of Aging Services Fund, Environmental Services Fund, and the two County fire districts 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.
- 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 the Olive regional recreation park.
 - Community park improvements at Lanes Creek.
 - Completion of remodeling work on the "Old" County Courthouse facility allowing for alternative utilization by County staff.
 - Completion of a new Waccamaw Neck Library.
 - Completion 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.

This page is intentionally left blank.

Basic Financial Statements

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 53,006,648	\$ 9,133,731	\$ 62,140,379
Receivables (net of allowances)			
Taxes	1,639,274	48,691	1,687,965
Court fines	204,074	-	204,074
From customers	-	164,726	164,726
From other governments	3,365,645	-	3,365,645
Other	1,259,464	41,252	1,300,716
Prepaid items	522,043	28,298	550,341
Inventories	36,284	-	36,284
Assets held for resale	3,456,717	-	3,456,717
Restricted assets			
Cash and investments	5,874,437	7,547,470	13,421,907
Capital assets			
Land and construction in progress	37,072,001	1,172,918	38,244,919
Other capital assets, net of accumulated depreciation	95,345,698	12,545,757	107,891,455
Total Assets	201,782,285	30,682,843	232,465,128
Deferred Outflows of Resources			
Bond refunding costs	839,590	-	839,590
Total Deferred Outflows of Resources	839,590	-	839,590
Liabilities			
Payables			
Trade and other accounts	3,823,240	549,737	4,372,977
Accrued wages and benefits	1,132,786	83,705	1,216,491
Accrued interest payable	628,088	-	628,088
Other	329,401	-	329,401
Unearned revenue	916,291	-	916,291
Noncurrent liabilities			
Due within one year	6,006,801	729,041	6,735,842
Due in more than one year	85,757,515	9,985,634	95,743,149
Total Liabilities	98,594,122	11,348,117	109,942,239
Net Position			
Net investment in capital assets	54,398,342	11,120,342	65,518,684
Restricted for:			
General government programs	336,929	-	336,929
Public safety programs	649,220	-	649,220
Public works programs	4,874,111	-	4,874,111
Health & welfare programs	525,976	-	525,976
Culture & recreation programs	2,232,966	-	2,232,966
Economic development programs	6,231,043	-	6,231,043
Debt service	14,428,455	-	14,428,455
Unrestricted	20,350,711	8,214,384	28,565,095
Total Net Position	\$ 104,027,753	\$ 19,334,726	\$ 123,362,479

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	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	\$ 15,987,442	\$ 3,236,696	\$ 431,372	\$ -	\$ (12,319,374)	\$ -	\$ (12,319,374)
Public safety	25,305,801	1,160,254	676,058	13,780	(23,455,709)	-	(23,455,709)
Public works	7,658,750	-	664,039	-	(6,994,711)	-	(6,994,711)
Health and welfare	1,626,974	2,816,376	10,381	-	1,199,783	-	1,199,783
Economic development	4,378,283	152,818	3,036,737	1,797,476	608,748	-	608,748
Culture and recreation	5,854,233	271,700	1,601,098	692,025	(3,289,410)	-	(3,289,410)
Environmental services	24,935	-	24,935	-	-	-	-
Interest and other charges on debt	4,065,824	-	-	-	(4,065,824)	-	(4,065,824)
Total Governmental Activities	64,902,242	7,637,844	6,444,620	2,503,281	(48,316,497)	-	(48,316,497)
Business-Type Activities:							
Environmental services	6,222,709	3,227,454	25,000	5,000	-	(2,965,255)	(2,965,255)
Stormwater management services	1,533,690	1,615,499	-	-	-	81,809	81,809
Total Business-Type Activities	7,756,399	4,842,953	25,000	5,000	-	(2,883,446)	(2,883,446)
Totals	\$ 72,658,641	\$ 12,480,797	\$ 6,469,620	\$ 2,508,281	(48,316,497)	(2,883,446)	(51,199,943)
General Revenue							
Property taxes, levied for general purposes					35,070,117	2,638,136	37,708,253
Local accommodations and hospitality taxes					4,362,192	-	4,362,192
State shared local government fund revenues					2,222,220	-	2,222,220
Federal interest subsidy on Build America Bonds					637,150	-	637,150
Franchise fees					1,246,548	-	1,246,548
Road user fees					1,763,820	-	1,763,820
E911 system user fees					407,742	-	407,742
Impact fees (restricted)					1,538,433	-	1,538,433
Unrestricted investment earnings					129,240	10,143	139,383
Other					486,633	324,084	810,717
Gain on disposal of property					253,794	63,070	316,864
Transfers					247,650	(247,650)	-
Total General Revenue and Transfers					48,365,539	2,787,783	51,153,322
Change in Net Position					49,042	(95,663)	(46,621)
Net Position - Beginning of Year, as Restated					103,978,711	19,430,389	123,409,100
Net Position - End of Year					\$ 104,027,753	\$ 19,334,726	\$ 123,362,479

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Law Enforcement Fund</u>	<u>Debt Service Fund</u>
ASSETS			
Cash and investments	\$ 6,677,674	\$ 2,345,782	\$ 9,642,526
Receivables (net of allowances)			
Taxes	483,521	169,060	105,643
Court fines	-	204,074	-
From other governments	547,871	-	319,909
From other County funds	5,304,475	-	-
Other	1,039,282	141,519	-
Prepaid Items	169,379	84,093	-
Inventory	36,284	-	-
Assets held for resale	-	-	-
Restricted assets			
Cash and investments	-	-	5,848,976
Total Assets	<u><u>\$ 14,258,486</u></u>	<u><u>\$ 2,944,528</u></u>	<u><u>\$ 15,917,054</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Payables			
Trade and other accounts	\$ 931,178	\$ 340,984	\$ 20,921
Accrued wages and benefits	658,269	262,665	-
To other County funds	-	-	-
Unearned revenue	883,085	-	-
Other	329,401	-	-
Total Liabilities	<u><u>2,801,933</u></u>	<u><u>603,649</u></u>	<u><u>20,921</u></u>
Deferred Inflows of Resources			
Unavailable revenue	<u>741,344</u>	<u>286,311</u>	<u>87,590</u>
Total Deferred Inflows of Resources	<u><u>741,344</u></u>	<u><u>286,311</u></u>	<u><u>87,590</u></u>
Fund Balances			
Nonspendable			
Prepaid items	169,379	84,093	-
Inventory	36,284	-	-
Restricted for:			
General government programs	-	-	-
Public safety programs	-	1,970,475	-
Public works programs	-	-	-
Health & welfare programs	-	-	-
Culture & recreation programs	-	-	-
Economic development programs	-	-	-
Debt service	-	-	15,808,543
Committed	145,000	-	-
Assigned for:			
General government programs	824,711	-	-
Capital improvements	-	-	-
Unassigned	<u>9,539,835</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u><u>10,715,209</u></u>	<u><u>2,054,568</u></u>	<u><u>15,808,543</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 14,258,486</u></u>	<u><u>\$ 2,944,528</u></u>	<u><u>\$ 15,917,054</u></u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet Governmental Funds June 30, 2014

	Capital Improvement Plan Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 18,398,040	\$ 15,942,626	\$ 53,006,648
Receivables (net of allowances)			
Taxes	-	881,050	1,639,274
Court fines	-	-	204,074
From other governments	-	2,497,865	3,365,645
From other County funds	-	-	5,304,475
Other	-	78,663	1,259,464
Prepaid items	-	268,571	522,043
Inventory	-	-	36,284
Assets held for resale	-	3,456,717	3,456,717
Restricted assets			
Cash and investments	-	25,461	5,874,437
Total Assets	\$ 18,398,040	\$ 23,150,953	\$ 74,669,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Payables			
Trade and other accounts	\$ 823,109	\$ 1,707,048	\$ 3,823,240
Accrued wages and benefits	-	211,852	1,132,786
To other County funds	-	5,304,475	5,304,475
Unearned revenue	-	33,206	916,291
Other	-	-	329,401
Total Liabilities	823,109	7,256,581	11,506,193
Deferred Inflows of Resources			
Unavailable revenue	-	133,040	1,248,285
Total Deferred Inflows of Resources	-	133,040	1,248,285
Fund Balances			
Nonspendable			
Prepaid items	-	256,084	509,556
Inventory	-	-	36,284
Restricted for:			
General government programs	-	387,877	387,877
Public safety programs	-	1,900,270	3,870,745
Public works programs	-	4,885,509	4,885,509
Health & welfare programs	-	572,589	572,589
Culture & recreation programs	-	2,232,966	2,232,966
Economic development programs	-	6,263,072	6,263,072
Debt service	-	-	15,808,543
Committed	-	-	145,000
Assigned for:			
General government programs	-	-	824,711
Capital improvements	17,574,931	3,444,358	21,019,289
Unassigned	-	(4,181,393)	5,358,442
Total Fund Balances	17,574,931	15,761,332	61,914,583
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,398,040	\$ 23,150,953	\$ 74,669,061

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

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

June 30, 2014

Total Fund Balances of Governmental Funds (reported on page 21)	\$ 61,914,583
<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.	132,417,699
Unamortized bond refunding costs are reported as deferred outflows of resources of governmental activities in the government-wide statement of net position and amortized over the life of the bonds, but are recognized in full when paid in the governmental funds.	839,590
Deferred inflows of resources are reported in the governmental funds when receipt of revenues, such as property taxes receivable, court fines receivable, and EMS fees receivable are not available to pay current period expenditures.	1,248,285
Long-term liabilities, including bonds payable (net of unamortized premiums and discounts), loans, capital leases, accrued interest, net OPEB obligation and compensated absences not due and payable in the current period are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.	(92,392,404)
Net Position of Governmental Activities (reported on page 18)	<u>\$ 104,027,753</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2014

	General Fund	Law Enforcement Fund	Debt Service Fund
Revenues			
Property taxes	\$ 14,781,810	\$ 8,437,245	\$ 4,533,467
Local taxes			
Accommodations	-	-	-
Hospitality	-	-	-
Fees, licenses and permits	6,502,952	235,319	1,181,859
Fines and forfeitures	123,448	605,392	-
Use of money and property	299,573	1,362	79,293
Intergovernmental	2,580,186	130,829	637,150
Grants	24,532	284,086	-
Other	252,728	113,572	-
Total Revenues	\$ 24,565,229	\$ 9,807,805	\$ 6,431,769
Expenditures			
Current			
General government	\$ 12,972,714	\$ -	\$ -
Public safety	3,424,089	10,884,040	-
Public works	1,861,619	-	-
Health & welfare	639,630	-	-
Economic development	211,617	-	-
Culture & recreation	3,750,209	-	-
Environmental services	-	-	-
Capital Outlay			
General government	31,292	-	-
Public safety	3,274	65,266	-
Public works	-	-	-
Economic development	143,163	-	-
Culture & recreation	-	-	-
Debt Service			
Principal	153,319	43,747	2,995,000
Interest	37,766	10,776	3,631,018
Fiscal charges	-	-	13,462
Total Expenditures	\$ 23,228,692	\$ 11,003,829	\$ 6,639,480
Excess (Deficiency) of Revenues Over Expenditures	1,336,537	(1,196,024)	(207,711)
Other Financing Sources (Uses)			
Proceeds from capital lease financing	-	-	-
Proceeds from sale of assets	204,137	33,356	-
Transfers in	1,749,429	2,049,000	-
Transfers out	(2,880,475)	(632,750)	-
Total Other Financing Sources (Uses)	(926,909)	1,449,606	-
Net Changes in Fund Balances	409,628	253,582	(207,711)
Fund Balances - Beginning of Year	10,305,581	1,800,986	16,016,254
Fund Balances - End of Year	\$ 10,715,209	\$ 2,054,568	\$ 15,808,543

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, 2014

	<u>Capital Improvement Plan Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ -	\$ 7,304,988	\$ 35,057,510
Local taxes			
Accommodations	-	1,926,592	1,926,592
Hospitality	-	2,435,600	2,435,600
Fees, licenses and permits	-	3,351,150	11,271,280
Fines and forfeitures	-	-	728,840
Use of money and property	31,118	49,187	460,533
Intergovernmental	520,196	1,708,798	5,577,159
Grants	128,232	5,859,564	6,296,414
Other	-	263,401	629,701
Total Revenues	\$ 679,546	\$ 22,899,280	\$ 64,383,629
Expenditures			
Current			
General government	\$ -	\$ 735,696	\$ 13,708,410
Public safety	-	6,629,749	20,937,878
Public works	-	4,656,634	6,518,253
Health & welfare	-	783,756	1,423,386
Economic development	-	3,138,451	3,350,068
Culture & recreation	-	1,164,688	4,914,897
Environmental services	-	24,935	24,935
Capital Outlay			
General government	1,223,186	23,349	1,277,827
Public safety	952,280	1,389,403	2,410,223
Public works	-	1,778,848	1,778,848
Economic development	-	1,943,497	2,086,660
Culture & recreation	3,969,068	142,069	4,111,137
Debt Service			
Principal	-	1,469,525	4,661,591
Interest	-	139,200	3,818,760
Fiscal charges	-	-	13,462
Total Expenditures	\$ 6,144,534	\$ 24,019,800	\$ 71,036,335
Excess (Deficiency) of Revenues Over Expenditures	(5,464,988)	(1,120,520)	(6,652,706)
Other Financing Sources (Uses)			
Proceeds from capital lease financing	-	933,977	933,977
Proceeds from sale of assets	-	27,605	265,098
Transfers in	9,298,676	2,020,149	15,117,254
Transfers out	(6,116,642)	(5,239,737)	(14,869,604)
Total Other Financing Sources (Uses)	3,182,034	(2,258,006)	1,446,725
Net Changes in Fund Balances	(2,282,954)	(3,378,526)	(5,205,981)
Fund Balances - Beginning of Year	19,857,885	19,139,858	67,120,564
Fund Balances - End of Year	\$ 17,574,931	\$ 15,761,332	\$ 61,914,583

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

This page is intentionally left blank.

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, 2014

Net Change in Fund Balances of Governmental Funds (reported on page 25) **\$ (5,205,981)**

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 (\$10,595,566) exceeded depreciation expense (\$7,830,809) in the current period. 2,764,757

Gain on disposal of assets reported in the statement of activities (\$253,794) differs from the proceeds from sale of assets reported in governmental funds (\$265,098) by the book value of the assets disposed of. (11,304)

Revenues in the statement of activities, such as property taxes, EMS fees, and court 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. 66,211

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. 3,727,614

Annual OPEB costs (\$1,257,881) are recorded in the Statement of Activities while only OPEB contributions (\$433,982) are recorded in the governmental funds. This amount is the net effect of differences in treatment of OPEB costs. (823,899)

Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums, discounts and refunding costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (468,356)

Change in Net Position of Governmental Activities (reported on page 19) **\$ 49,042**

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Position

Proprietary Funds
June 30, 2014

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Assets			
Current Assets			
Cash and investments	\$ 4,238,622	\$ 4,895,109	\$ 9,133,731
Receivables (net of allowances)			
Taxes	48,691	-	48,691
From customers	143,744	20,982	164,726
Other	41,252	-	41,252
Pepaid items	27,100	1,198	28,298
	<u>4,499,409</u>	<u>4,917,289</u>	<u>9,416,698</u>
Noncurrent Assets			
Restricted assets			
Cash and investments	7,547,470	-	7,547,470
Capital assets			
Land	740,718	-	740,718
Improvements	13,268,209	3,210,352	16,478,561
Buildings	417,150	-	417,150
Mining rights	225,000	-	225,000
Software	-	70,623	70,623
Machinery and equipment	6,243,071	60,802	6,303,873
Automotive equipment	2,766,295	49,528	2,815,823
Construction-in-progress	14,473	417,727	432,200
Accumulated depreciation	(13,044,768)	(720,505)	(13,765,273)
	<u>18,177,618</u>	<u>3,088,527</u>	<u>21,266,145</u>
Total Assets	22,677,027	8,005,816	30,682,843
Liabilities			
Current Liabilities			
Payables			
Trade and other accounts	395,478	154,259	549,737
Accrued wages and benefits	71,425	12,280	83,705
Capital leases	547,427	-	547,427
Liability for compensated absences	100,140	11,774	111,914
Liability for landfill closure and postclosure costs	69,700	-	69,700
	<u>1,184,170</u>	<u>178,313</u>	<u>1,362,483</u>
Noncurrent Liabilities			
Net OPEB obligation	348,984	63,767	412,751
Capital leases	2,089,222	-	2,089,222
Liability for compensated absences	5,271	620	5,891
Liability for landfill closure and postclosure costs	7,477,770	-	7,477,770
	<u>9,921,247</u>	<u>64,387</u>	<u>9,985,634</u>
Total Liabilities	11,105,417	242,700	11,348,117
Net Position			
Net investment in capital assets	8,031,815	3,088,527	11,120,342
Unrestricted	3,539,795	4,674,589	8,214,384
Total Net Position	\$ 11,571,610	\$ 7,763,116	\$ 19,334,726

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Operating Revenues			
Charges for sales and services			
Landfill tipping fees	\$ 1,521,533	\$ -	\$ 1,521,533
Household fees	1,438,710	-	1,438,710
Stormwater drainage fees and penalties	-	1,615,499	1,615,499
Sale of recyclables	197,328	-	197,328
Nonresidential roll-out fees	14,630	-	14,630
Waste tire fees	23,072	-	23,072
Methane gas sales	30,842	-	30,842
Other	1,339	-	1,339
Property taxes			
Current real and personal	2,284,486	-	2,284,486
Vehicles	152,091	-	152,091
Delinquent	30,496	-	30,496
Payments in lieu of tax	45,652	-	45,652
Homestead exemption	60,247	-	60,247
Motor carrier	5,456	-	5,456
Manufacturers reimbursement	41,197	-	41,197
Tax penalties	18,511	-	18,511
Grants and contributions	30,000	-	30,000
Total Operating Revenue	<u>\$ 5,895,590</u>	<u>\$ 1,615,499</u>	<u>\$ 7,511,089</u>
Operating Expenses			
Personal services	\$ 1,849,559	\$ 341,515	\$ 2,191,074
Operations and maintenance			
Supplies and materials	1,304,706	22,956	1,327,662
Other charges and services	716,294	1,022,846	1,739,140
Depreciation	1,581,913	146,373	1,728,286
Landfill closure and postclosure	702,639	-	702,639
Total Operating Expenses	<u>\$ 6,155,111</u>	<u>\$ 1,533,690</u>	<u>\$ 7,688,801</u>
Operating Income (Loss)	(259,521)	81,809	(177,712)
Nonoperating Revenues (Expenses)			
Gain (loss) on disposal of capital assets	63,070	-	63,070
Investment earnings	6,845	3,298	10,143
Miscellaneous	323,455	629	324,084
Interest expense	(67,598)	-	(67,598)
Total Nonoperating Revenues (Expenses)	<u>325,772</u>	<u>3,927</u>	<u>329,699</u>
Income (Loss) Before Capital Contributions and Transfers	66,251	85,736	151,987
Transfers Out	(77,650)	(170,000)	(247,650)
Changes in Net Position	(11,399)	(84,264)	(95,663)
Total Net Position - Beginning of Year	11,583,009	7,847,380	19,430,389
Total Net Position - End of Year	<u>\$ 11,571,610</u>	<u>\$ 7,763,116</u>	<u>\$ 19,334,726</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, 2014

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Cash Flows of Operating Activities			
Receipts from customers and users	\$ 3,220,731	\$ 1,625,912	\$ 4,846,643
Receipts from taxpayers	2,637,680	-	2,637,680
Other receipts	354,794	629	355,423
Payments to or on behalf of employees	(1,764,490)	(326,535)	(2,091,025)
Payments to suppliers for goods and services	(1,849,555)	(1,206,168)	(3,055,723)
Net Cash Provided (Used) by Operating Activities	<u>2,599,160</u>	<u>93,838</u>	<u>2,692,998</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	63,750	-	63,750
Proceeds from capital lease financing	535,794	-	535,794
Principal paid on capital lease financing	(677,786)	-	(677,786)
Interest paid on capital lease financing	(67,598)	-	(67,598)
Purchase or construction of capital assets	(631,992)	(665,353)	(1,297,345)
Landfill postclosure costs paid	(69,668)	-	(69,668)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(847,500)</u>	<u>(665,353)</u>	<u>(1,512,853)</u>
Cash Flows of Investing Activities			
Earnings on deposits and investments	6,845	3,298	10,143
Net Cash Provided (Used) by Investing Activities	<u>6,845</u>	<u>3,298</u>	<u>10,143</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,680,855	(738,217)	942,638
Cash and Cash Equivalents - Beginning of Year	10,105,237	5,633,326	15,738,563
Cash and Cash Equivalents - End of Year	<u>\$ 11,786,092</u>	<u>\$ 4,895,109</u>	<u>\$ 16,681,201</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, 2014

	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)	\$ (259,521)	\$ 81,809	\$ (177,712)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,581,913	146,373	1,728,286
Landfill closure and postclosure costs	702,639	-	702,639
Decreases (increases) in current assets			
Customer and other accounts receivable	(5,384)	10,413	5,029
Property taxes receivable	(456)	-	(456)
Prepaid items	(566)	(335)	(901)
Increases (decreases) in current liabilities			
Trade accounts payable (exclusive of capital items)	172,011	(160,031)	11,980
Accrued wages and benefits payable	15,268	1,295	16,563
Liability for compensated absences	23,573	1,250	24,823
Increases (decreases) in noncurrent liabilities			
Net OPEB obligation	44,987	12,369	57,356
Compensated absences	1,241	66	1,307
Miscellaneous receipts	323,455	629	324,084
Net Cash Provided (Used) by Operating Activities	\$ 2,599,160	\$ 93,838	\$ 2,692,998

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, 2014

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 16,516,949
Total Assets	<u>\$ 16,516,949</u>
Liabilities	
Due to other taxing entities	\$ 11,047,466
Due to Georgetown County Water & Sewer District	4,312
Due to estate and trust beneficiaries	1,873,251
Due to bidders and redeemers on tax sales	2,272,897
Due to plaintiffs	964
Due to payors of bonds and fines	735,411
Due to South Carolina Department of Revenue	78,706
Due to support recipients	47,904
Due to seized asset beneficiaries	185,550
Due to South Carolina Department of Highways	25,516
Due to others	244,972
Total Liabilities	<u>\$ 16,516,949</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

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, 2014

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, 2014

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 collateralized, 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, 2014

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources," represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently only has one item that qualifies for reporting in this category. It is the deferred bond refunding costs reported in the government-wide statement of net position. Deferred costs on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources," represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County currently only has one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, "unavailable revenue," is reported only in the governmental funds balance sheet. The amounts do not meet the availability criteria for revenue recognition and are therefore deferred and recognized as an inflow of resources, or revenue, in the period that the amounts become available. The governmental funds generally report unavailable revenues for property taxes, EMS fees and court fines.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

GASB Statement No 65, "Items Previously Reported as Assets and Liabilities," is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements "deferred outflows of resources" and "deferred inflows of resources" to ensure consistency in financial reporting. The County has implemented this statement in the year ended June 30, 2014. As a result, prior year deferred bond issuance costs of \$1,146,436 have been deducted from the prior year ending balance of net position as explained in Note 18.

The net carrying amount of deferred bond refunding costs for governmental activities of \$839,590 has been reported as "deferred outflows of resources" and will be recognized in the statement of net position as a component of interest expense over the remaining life of the refunding bonds issued. Unavailable revenue of \$1,248,285 has been reported as "deferred inflows of resources" in the governmental funds balance sheet and will be recognized as revenue when available.

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.

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.

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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Subsequent Events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through December 12, 2014, the date the financial statements were available for issuance.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

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, 2014, none of the County's bank balances of \$42,372,824, which had a carrying value of \$41,615,471, were exposed to custodial credit risk. Petty cash on hand totaled \$12,622.

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, 2014, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
South Carolina Local Government Investment Pool (SCLGIP)	\$ 46,902,567	Less than One Year
Municipal Bonds (Debt Service Reserve Investments)	<u>3,548,575</u>	2021 through 2027
Total	<u>\$ 50,451,142</u>	

Note 3 - Receivables

Receivables at June 30, 2014, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Taxes Receivable, Net			
Property Taxes Receivable	\$ 920,235	\$ 48,691	\$ 968,926
Local Accommodations & Hospitality Tax	<u>719,039</u>	<u>--</u>	<u>719,039</u>
	<u>1,639,274</u>	<u>48,691</u>	<u>1,687,965</u>
Court Fines Receivable, Net	<u>204,074</u>	<u>--</u>	<u>204,074</u>
	<u>204,074</u>	<u>--</u>	<u>204,074</u>
Due from Other Governments			
Grants	2,071,430	--	2,071,430
Local Government Fund	483,950	--	483,950
State Accommodations Tax	303,316	--	303,316
E911 Telephone System Fees & Reimb	84,636	--	84,636
Inventory Tax Replacement	90,802	--	90,802
Federal Interest Subsidy on Bonds	319,504	--	319,504
Various Other	<u>12,007</u>	<u>--</u>	<u>12,007</u>
	<u>3,365,645</u>	<u>--</u>	<u>3,365,645</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2014

Note 3 - Receivables (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Due from Customers, Net			
Landfill Fees Receivable	--	143,744	143,744
Stormwater Fees Receivable	--	20,982	20,982
	<u> --</u>	<u> 164,726</u>	<u> 164,726</u>
Other Receivables, Net			
EMS Billings	681,969	--	681,969
Prisoner Housing	51,470	--	51,470
Hangar Rent	34,035	--	34,035
Reimbursement for SRO's	67,157	--	67,157
Franchise Fees	93,902	--	93,902
Insurance Claims	63,222	--	63,222
BOAS Contractual Service Reimbursements	45,909	--	45,909
Election Reimbursements	49,236	--	49,236
Various Other	172,564	41,252	213,816
	<u> 1,259,464</u>	<u> 41,252</u>	<u> 1,300,716</u>
Total Receivables	<u>\$ 6,468,457</u>	<u>\$ 254,669</u>	<u>\$ 6,723,126</u>

Property taxes receivable that do not meet the availability requirement have been recorded as unavailable revenue in the fund financial statements. Allowances for uncollectible property taxes have been recorded in the governmental activities in the amount of \$920,235 and \$48,691 in the business type activities.

Allowances for uncollectible court fines of \$519,080, EMS fees of \$4,807,099, and local accommodations and hospitality taxes of \$115,527 have been recorded in the governmental activities. Allowances for uncollectible landfill tipping fees of \$92,731 and stormwater fees of \$20,982 have been recorded in the business-type activities.

Note 4 - Restricted Assets

The County has recorded restricted cash and investments totaling \$5,874,437 in the governmental funds for the following:

Murrells Inlet Revitalization - MI 2020	\$ 25,461
Impact Fees	1,098,284
Bond Debt Service Reserve Funds	<u>4,750,692</u>
	<u>\$ 5,874,437</u>

The County has recorded cash as restricted in the amount of \$7,547,470 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, 2014, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 5,304,475	\$ --
Nonmajor Special Revenue Funds (eliminated)	--	<u>5,304,475</u>
	<u>\$ 5,304,475</u>	<u>\$ 5,304,475</u>

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 6 - Capital Assets

Capital asset activity for the year ended June 30, 2014, 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	\$ 22,742,813	\$	\$ (1,000)	\$ 22,741,813
Construction in Progress	<u>35,913,491</u>	<u>7,838,604</u>	<u>(29,421,907)</u>	<u>14,330,188</u>
Total, not being Depreciated	<u>\$ 58,656,304</u>	<u>\$ 7,838,604</u>	<u>\$ (29,422,907)</u>	<u>\$ 37,072,001</u>
Capital Assets, being Depreciated:				
Improvements	\$ 26,908,751	\$ 27,142,985	\$ --	\$ 54,051,736
Buildings	53,272,869	1,967,063	(7,000)	55,232,932
Infrastructure	23,584,475	425,059	--	24,009,534
Software	525,106	--	--	525,106
Furniture & Fixtures	763,083	180,204	--	943,287
Machinery & Equipment	20,919,017	987,870	(391,274)	21,515,613
Automotive Equipment	<u>21,934,594</u>	<u>1,475,688</u>	<u>(731,070)</u>	<u>22,679,212</u>
Total, being Depreciated	<u>147,907,895</u>	<u>32,178,869</u>	<u>(1,129,344)</u>	<u>178,957,420</u>
Less Accumulated Depreciation for:				
Improvements	(14,261,153)	(1,358,655)	--	(15,619,808)
Buildings	(25,846,057)	(2,251,474)	7,000	(28,090,531)
Infrastructure	(5,742,874)	(667,386)	--	(6,410,260)
Software	(75,974)	(93,607)	--	(169,581)
Furniture & Fixtures	(466,420)	(49,444)	--	(515,864)
Machinery & Equipment	(15,219,736)	(1,782,583)	391,274	(16,611,045)
Automotive Equipment	<u>(15,287,739)</u>	<u>(1,627,660)</u>	<u>720,766</u>	<u>(16,194,633)</u>
Total Accumulated Depreciation	<u>(76,899,953)</u>	<u>(7,830,809)</u>	<u>1,119,040</u>	<u>(83,611,722)</u>
Total, being Depreciated, Net	<u>\$ 71,007,942</u>	<u>\$ 24,348,060</u>	<u>\$ (10,304)</u>	<u>\$ 95,345,698</u>
Total Governmental Activities, Net	<u>\$ 129,664,246</u>	<u>\$ 32,186,664</u>	<u>\$ (29,433,211)</u>	<u>\$ 132,417,699</u>

Construction in progress in the amount of \$29,421,907 was reclassified upon completion to improvements in the amount of \$27,007,198, buildings in the amount of \$1,904,337, infrastructure in the amount of \$425,059, and machinery and equipment in the amount of \$85,313. Assets totaling \$1,130,344, with accumulated depreciation of \$1,119,040, were sold, or otherwise disposed of, for \$168,187 resulting in a gain on disposal of capital assets of \$156,883. 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 \$1,069,129 that did not meet criteria to be capitalized.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2014

Note 6 - Capital Assets (continued)

Capital asset activity for the year ended June 30, 2014, 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	791,627	520,025	(879,452)	432,200
Total, not being Depreciated	\$ 1,532,345	\$ 520,025	\$ (879,452)	\$ 1,172,918
Capital Assets, being Depreciated:				
Improvements	15,339,483	1,139,078	--	16,478,561
Buildings	417,150	--	--	417,150
Mining Rights	225,000	--	--	225,000
Software	70,623	--	--	70,623
Machinery & Equipment	5,838,541	493,869	(28,537)	6,303,873
Automotive Equipment	2,891,920	150,732	(226,829)	2,815,823
Total, being Depreciated	24,782,717	1,783,679	(255,366)	26,311,030
Less Accumulated Depreciation for:				
Improvements	(6,083,812)	(987,665)	--	(7,071,477)
Buildings	(209,266)	(20,601)	--	(229,867)
Mining Rights	(114,583)	(25,000)	--	(139,583)
Software	(58,853)	(11,770)	--	(70,623)
Machinery & Equipment	(4,147,103)	(438,230)	27,857	(4,557,476)
Automotive Equipment	(1,678,056)	(245,020)	226,829	(1,696,247)
Total Accumulated Depreciation	(12,291,673)	(1,728,286)	254,686	(13,765,273)
Total, being Depreciated, Net	\$ 12,491,044	\$ 55,393	\$ (680)	\$ 12,545,757
Total Business-Type Activities, Net	\$ 14,023,389	\$ 575,418	\$ (880,132)	\$ 13,718,675

Construction in progress in the amount of \$879,452 was reclassified upon completion to improvements. Assets totaling \$255,366, with accumulated depreciation of \$254,686, were sold for \$63,750 resulting in a gain on disposal of capital assets of \$63,070.

Depreciation expense for the year ended June 30, 2014, was charged to the following functions:

Governmental Activities:

General Government	\$ 1,811,012
Public Safety	2,937,536
Public Works	964,443
Health and Welfare	182,199
Economic Development	1,020,641
Cultural and Recreation	914,978
Total Depreciation Expense - Governmental Activities	\$ 7,830,809

Business-Type Activities:

Environmental Services	\$ 1,581,913
Stormwater Management Services	146,373
Total Depreciation Expense - Business-Type Activities	\$ 1,728,286

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2014

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	\$ 7,812,990	\$ 3,961,730
Accumulated Depreciation	<u>(3,334,920)</u>	<u>(1,329,163)</u>
Net Book Value	<u>\$ 4,478,070</u>	<u>\$ 2,632,567</u>

Note 7 - Long-Term Liabilities and Debt

Following is a summary of changes in long-term liabilities during the year ended June 30, 2014:

	<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	\$ 29,540,000	\$ --	\$ (1,065,000)	\$ 28,475,000	\$ 1,105,000
Installment Purchase Revenue Bonds	47,565,000	--	(1,930,000)	45,635,000	2,005,000
Plus: Unamortized Premiums	3,401,332	--	(212,880)	3,188,452	(212,880)
Less: Unamortized Discounts	<u>(346,385)</u>	--	<u>21,100</u>	<u>(325,285)</u>	<u>21,100</u>
Net Bonds Payable	80,159,947	--	(3,186,780)	76,973,167	2,918,220
Loan (Energy Savings)	411,461	--	(46,271)	365,190	47,660
Capital Leases	8,012,572	933,977	(1,620,320)	7,326,229	1,534,192
Net OPEB Obligation	4,681,191	1,257,881	(433,982)	5,505,090	--
Compensated Absences	<u>1,359,886</u>	<u>1,594,640</u>	<u>(1,359,886)</u>	<u>1,594,640</u>	<u>1,506,729</u>
Totals	<u>\$ 94,625,057</u>	<u>\$ 3,786,498</u>	<u>\$ (6,647,239)</u>	<u>\$ 91,764,316</u>	<u>\$ 6,006,801</u>
Business-Type Activities					
Capital Leases	\$ 2,778,641	\$ 535,794	\$ (677,786)	\$ 2,636,649	\$ 547,427
Net OPEB Obligation	355,395	102,953	(45,597)	412,751	--
Compensated Absences	91,675	117,805	(91,675)	117,805	111,914
Landfill Closure/Postclosure	<u>6,914,499</u>	<u>702,639</u>	<u>(69,668)</u>	<u>7,547,470</u>	<u>69,700</u>
Totals	<u>\$ 10,140,210</u>	<u>\$ 1,459,191</u>	<u>\$ (884,726)</u>	<u>\$ 10,714,675</u>	<u>\$ 729,041</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, 2014

Note 7 - Long-Term Liabilities and Debt (continued)

Annual debt service requirements to maturity for general obligation bonds outstanding at June 30, 2014, 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
2015	3.00%-5.00%	\$ 18,325,000	\$ 95,000	\$ 441,425	\$ 441,425	\$ 977,850
2016	3.00%-5.00%	18,230,000	95,000	440,000	440,000	975,000
2017	4.00%-5.00%	18,135,000	90,000	438,575	438,575	967,150
2018	4.00%-5.00%	18,045,000	80,000	436,775	436,775	953,550
2019	4.00%-5.00%	17,965,000	85,000	435,175	435,175	955,350
2020-2024	4.00%-5.00%	17,880,000	1,215,000	2,148,975	2,148,975	5,512,950
2025-2029	4.00%-5.00%	16,665,000	6,390,000	1,766,125	1,766,125	9,922,250
2030-2033	4.00%-5.00%	10,275,000	<u>10,275,000</u>	<u>617,750</u>	<u>617,750</u>	<u>11,510,500</u>
Totals			<u>\$ 18,325,000</u>	<u>\$ 6,724,800</u>	<u>\$ 6,724,800</u>	<u>\$ 31,774,600</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
2015	2.00%-4.00%	\$ 10,150,000	\$ 1,010,000	\$ 154,650	\$ 154,650	\$ 1,319,300
2016	2.00%-4.00%	9,140,000	1,025,000	144,550	144,550	1,314,100
2017	3.00%-4.00%	8,115,000	1,055,000	134,300	134,300	1,323,600
2018	3.00%-4.00%	7,060,000	1,085,000	118,475	118,475	1,321,950
2019	3.00%-4.00%	5,975,000	1,115,000	102,200	102,200	1,319,400
2020-2023	3.00%-4.00%	4,860,000	<u>4,860,000</u>	<u>229,525</u>	<u>229,525</u>	<u>5,319,050</u>
Totals			<u>\$ 10,150,000</u>	<u>\$ 883,700</u>	<u>\$ 883,700</u>	<u>\$ 11,917,400</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, 2014

Note 7 - Long-Term Liabilities and 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, 2014, interest subsidies received totaled \$637,150 and are reported in the Debt Service Fund as intergovernmental revenues. The receipts were reduced by \$47,430 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, 2014, 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
2015	3.125%-5.125%	\$ 16,450,000	\$ 2,005,000	\$ 362,434	\$ 311,056	\$ 2,678,490
2016	3.125%-5.000%	14,445,000	2,090,000	311,056	278,400	2,679,456
2017	3.375%-5.000%	12,355,000	2,160,000	278,400	241,950	2,680,350
2018	4.000%-5.000%	10,195,000	2,240,000	241,950	197,150	2,679,100
2019	4.250%-5.000%	7,955,000	2,345,000	197,150	138,525	2,680,675
2020-2024	4.250%-5.000%	5,610,000	5,510,000	232,825	96,800	5,839,625
2025-2029	5.000%	100,000	--	12,500	12,500	25,000
2030	5.000%	100,000	<u>100,000</u>	<u>2,500</u>	--	<u>102,500</u>
Totals			<u>\$ 16,450,000</u>	<u>\$ 1,638,815</u>	<u>\$ 1,276,381</u>	<u>\$ 19,365,196</u>

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

Fiscal Year	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
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	6.625%-6.750%	29,185,000	--	977,972	977,972	1,955,944
2020-2024	6.625%-6.750%	29,185,000	8,095,000	4,646,887	4,378,740	17,120,627
2025-2029	6.625%-6.750%	21,090,000	17,180,000	2,448,457	1,870,595	21,499,052
2030	6.750%	3,910,000	<u>3,910,000</u>	<u>131,963</u>	--	<u>4,041,963</u>
Totals			<u>\$ 29,185,000</u>	<u>\$ 12,117,167</u>	<u>\$ 11,139,195</u>	<u>\$ 52,441,362</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 7 - Long-Term Liabilities and 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 have concluded. No interest accrued on funds drawn during the construction phase.

Annual debt service requirements to maturity for the loan balance outstanding at June 30, 2014, 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>
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	3.00%	165,800	53,641	4,974	58,615
2020-2021	3.00%	112,159	<u>112,159</u>	<u>5,072</u>	<u>117,231</u>
Totals			<u>\$ 365,190</u>	<u>\$ 45,116</u>	<u>\$ 410,306</u>

Capital Leases

The County's governmental activities have twenty-three (23) lease purchase agreements and its business-type activities have twelve (12) 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, 2014, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
FY2015	\$ 1,691,052	\$ 608,844	\$ 2,299,896
FY2016	1,464,262	608,844	2,073,106
FY2017	1,285,445	584,461	1,869,906
FY2018	1,088,735	342,188	1,430,923
FY2019	937,625	242,295	1,179,920
FY2020-FY2024	<u>1,409,096</u>	<u>434,907</u>	<u>1,844,003</u>
Total Minimum Lease Payments	7,876,215	2,821,539	10,697,754
Less: Amount Representing Interest	<u>(549,986)</u>	<u>(184,890)</u>	<u>(734,876)</u>
Totals	<u>\$ 7,326,229</u>	<u>\$ 2,636,649</u>	<u>\$ 9,962,878</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

Note 7 - Long-Term Liabilities and Debt (continued)

The annual requirements to amortize all debt outstanding, including capital leases, as of June 30, 2014, are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 4,691,852	\$ 3,989,399	\$ 8,681,251	\$ 547,427	\$ 61,417	\$ 608,844
2016	4,598,841	3,848,536	8,447,377	561,567	47,277	608,844
2017	4,544,151	3,726,953	8,271,104	551,726	32,735	584,461
2018	4,469,810	3,588,084	8,057,894	323,751	18,437	342,188
2019	4,487,084	3,420,525	7,907,609	230,560	11,735	242,295
2020-2024	21,154,681	14,163,898	35,318,579	421,618	13,289	434,907
2025-2029	23,570,000	7,876,302	31,446,302	--	--	--
2030-2033	14,285,000	1,369,963	15,654,963	--	--	--
Totals	<u>\$ 81,801,419</u>	<u>\$ 41,983,660</u>	<u>\$ 123,785,079</u>	<u>\$ 2,636,649</u>	<u>\$ 184,890</u>	<u>\$ 2,821,539</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 2013 tax year assessed valuation of \$539,573,000, and outstanding general obligation bond debt at June 30, 2014, of \$28,475,000, the legal debt limit is approximately \$14,691,000.

Note 8 - Contingencies

As of June 30, 2014, 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:

	Transfers In	Transfers Out
General Fund	\$ 1,749,429	\$ 2,880,475
Law Enforcement Fund	2,049,000	632,750
Capital Improvement Plan Fund	3,182,034	--
Nonmajor Special Revenue Funds	156,399	5,239,737
Nonmajor Capital Projects Funds	1,863,750	--
Environmental Services Fund	--	77,650
Stormwater Management Fund	--	170,000
Totals	<u>\$ 9,000,612</u>	<u>\$ 9,000,612</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements June 30, 2014

Note 10 - Economic Dependency

Georgetown County collects property taxes from the following five taxpayers which represent 3.70% of total taxable assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
International Paper Company	Paper Products	\$ 11,552,616
Santee Electric Coop Inc.	Electric Utility	3,876,460
ArcelorMittal Georgetown Inc.	Steel Wire	1,912,930
Frontier Communications	Telecommunications	1,633,650
Red Mountain Timber Co. III, LLC	Timberland Investment	990,168

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 7.84% and 7.50%, respectively, of their covered wages. The County is required to contribute at actuarially determined rates, currently 12.44% 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, 2014, 2013 and 2012 totaled \$1,267,452, \$1,173,782 and \$1,122,259, respectively. The County's required contributions for retirement benefits to the SCRS for the plan years ending June 30, 2014, 2013 and 2012 were \$1,140,468, \$1,113,933 and \$999,097, 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 2014 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, 2014

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
Group 1						
Less than 10 Years County Service						
Retiree Only Coverage	\$ 411.32	\$ --	\$ 411.32	\$ 411.32	\$ --	\$ 411.32
Retiree/Spouse Coverage	874.28	--	874.28	874.28	--	874.28
10 – 24 Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 331.64	\$ 429.32	\$ 97.68	\$ 331.64	\$ 429.32
Retiree/Spouse Coverage	542.64	331.64	874.28	578.64	331.64	910.28
25 or More Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 331.64	\$ 429.32	\$ 97.68	\$ 331.64	\$ 429.32
Retiree/Spouse Coverage	253.36	656.92	910.28	253.36	656.92	910.28
Group 2						
Less than 25 Years County Service						
Retiree Only Coverage	\$ 411.32	\$ --	\$ 411.32	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	874.28	--	874.28	N/A	N/A	N/A
25 or More Years County Service						
Retiree Only Coverage	\$ 97.68	\$ 331.64	\$ 429.32	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	253.36	656.92	910.28	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, 2014

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, 2014, were as follows:

Normal Cost	\$ 629,563
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>728,778</u>
Annual Required Contribution (ARC)	1,358,341
Interest on Net OPEB Obligation	201,463
ARC Adjustment	<u>(198,969)</u>
Annual OPEB Cost	1,360,835
Contributions Made	<u>(479,579)</u>
Increase in Net OPEB Obligation	881,256
Net OPEB Obligation – Beginning	<u>5,036,586</u>
Net OPEB Obligation – Ending	<u>\$ 5,917,842</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, 2014, June 30, 2013, and June 30, 2012, were as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year Ended June 30, 2014	\$ 1,360,835	35.24%	\$ 5,917,842
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

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 a 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, 2014

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, 2014:

Governmental Activities

General Fund encumbrances	\$ 126,707
Law Enforcement Fund encumbrances	37,881
Capital Improvement Plan Projects Fund encumbrances	3,743,231
Other Governmental Funds encumbrances	<u>2,336,150</u>
Total	<u>\$ 6,243,969</u>

Business-Type Activities

Environmental Services Fund encumbrances	\$ 30,147
Stormwater Drainage Utility Fund encumbrances	<u>346,918</u>
Total	<u>\$ 377,065</u>

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

- Improvements to three County recreational parks and facilities with total contractual commitments in the amount of \$926,370 to architects, engineers and contractors working on the projects. Construction on most of these parks was well underway and nearing completion at year end.
- Construction of the new Waccamaw Library with remaining commitments to architects and contractors in the amount of \$2,394,569.
- Construction of the new Fleet Maintenance Facility with remaining commitments to suppliers and contractors in the amount of \$140,324.
- Renovation of the Howard Gym and Auditorium with remaining commitments to architects, suppliers and contractors in the amount of \$229,318.
- Computer system and financial software upgrades in the amount of \$59,651. Implementation of these upgrades is ongoing and is expected to be complete in FY2015.

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

- Road paving projects with commitments in the amount of \$1,544,198 to engineers and paving contractors.
- Airport improvement projects with commitments in the amount of \$554,368 to engineers and contractors.

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

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

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.

Changes in the County's estimated liability for closure and postclosure care costs during the year ended June 30, 2014, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Active MSW Landfill	\$ 4,571,746	\$ 390,804	\$ --	\$ 4,962,550
Active C&D Landfill	1,194,183	311,835	--	1,506,018
Closed MSW Landfill	1,025,973	--	(52,128)	973,845
Closed Maryville "Industrial" Landfill	122,597	--	(17,540)	105,057
Totals	<u>\$ 6,914,499</u>	<u>\$ 702,639</u>	<u>\$ (69,668)</u>	<u>\$ 7,547,470</u>

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

	Total Current Estimated Costs	Costs Recognized through 6/30/2014	Remaining Costs to be Recognized	Estimated Remaining Life
Active MSW Landfill (Capacity Used to Date: 42.94%)	\$ 11,556,075	\$ 4,962,550	\$ 6,593,525	14 Years
Active C&D Landfill (Capacity Used to Date: 90.07%)	1,672,091	1,506,018	166,073	1 Year
Closed MSW Landfill (net)	973,845	973,845	--	None
Closed Maryville "Industrial" Landfill (net)	105,057	105,057	--	None
Totals	<u>\$ 14,307,068</u>	<u>\$ 7,547,470</u>	<u>\$ 6,759,598</u>	

The total estimated closure and postclosure care costs of \$14,307,068 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, 2014. 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, 2014, the County is in compliance with federal and state financial assurance requirements. Funds have been accumulated in the amount of \$7,547,470 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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

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.

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	\$ 34,521
Debt Service Fund	14,428,455
Nonmajor Governmental Funds	
County Fire (District I)	(339,038)
Midway Fire (District II)	544,812
Higher Education	266,394
Bureau of Aging Services	481,131
Economic Development	711,796
Economic Development Marketing	113,484
Special Economic Development Agreement	5,057,160
Road Improvement	4,874,111
Choppee Regional Center	44,845
Local Accommodations & Hospitality Tax	1,344,875
Bike the Neck	27,521

The following individual nonmajor governmental funds had deficit unassigned fund balances at June 30, 2014:

Public Safety Grants Fund	\$ (20,072)
Public Works Grants Fund	(4,002,300)
Economic Development Grants Fund	(159,021)

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, 2014

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	\$ 216,029,421
Accumulated Depreciation	<u>(83,611,722)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 132,417,699</u>

Another element of that reconciliation is "deferred inflows of resources are reported in the governmental funds when receipt of revenues, such as property taxes receivable, court fines receivable, and ambulance fees receivable are not available to pay current period expenditures." The details of this \$1,248,285 are as follows:

Property Taxes included in "unavailable revenue" in Governmental Fund Statement	\$ 782,806
EMS Fees included in "unavailable revenue" in Governmental Fund Statement	315,180
Court Fines included in "unavailable revenue" in Governmental Fund Statement	<u>150,299</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,248,285</u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable (net of unamortized premiums and discounts), loans, capital leases, accrued interest, net OPEB obligation and compensated absences not due and payable in the current period are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds." The details of the (\$92,392,404) are as follows:

G.O. Bonds Payable	\$ (28,475,000)
Installment Purchase Revenue Bonds Payable	(45,635,000)
Plus: Issuance Premium (to be amortized as interest expense)	(3,188,452)
Less: Issuance Discount (to be amortized as interest expense)	325,285
Accrued Interest Payable	(628,088)
Loan Payable	(365,190)
Capital Leases Payable	(7,326,229)
Net OPEB Obligation	(5,505,090)
Compensated Absences	<u>(1,594,640)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (92,392,404)</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 \$2,764,757 difference are as follows:

Capital Assets Acquisition Costs	\$ 10,595,566
Depreciation Expense	<u>(7,830,809)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,764,757</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2014

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, EMS fees, and court 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 \$66,211 difference are as follows:

Property Taxes	\$ 12,607
EMS Fees	79,175
Court Fines	<u>(25,571)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 66,211</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 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 \$3,727,614 are as follows:

Debt Issued or Incurred:	
Issuance of Capital Lease Debt	\$ (933,977)
Principal Repayments:	
General Obligation Debt	1,065,000
Installment Purchase Revenue Debt	1,930,000
Capital Lease Debt	1,620,320
Loan Debt	<u>46,271</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,727,614</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, discounts 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 (\$468,356) difference are as follows:

Compensated Absences	\$ (234,754)
Accrued Interest	(337,567)
Amortization of Deferred Bond Refunding Costs	(87,815)
Amortization of Bond Premium	212,880
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>\$ (468,356)</u>

Note 18 - New Accounting Pronouncements and Changes

GASB Statement No 65, "Items Previously Reported as Assets and Liabilities," is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements "deferred outflows of resources" and "deferred inflows of resources" to ensure consistency in financial reporting. The County has implemented this statement in the year ended June 30, 2014. As a result, prior year deferred bond issuance costs of \$1,146,436 have been deducted from the prior year ending balance of net position.

The net carrying amount of deferred bond refunding costs for governmental activities of \$839,590 has been reported as "deferred outflows of resources" and will be recognized in the statement of net position as a component of interest expense over the remaining life of the refunding bonds issued. Unavailable revenue of \$1,248,285 has been reported as "deferred inflows of resources" in the governmental funds balance sheet and will be recognized as revenue when available.

Required Supplementary Information

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Schedule of Funding Progress
Post-Employment Healthcare Plan
Year Ended June 30, 2014**

<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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 12,826,600	\$ 12,826,600	\$ 12,733,273	\$ (93,327)
Vehicle taxes	786,100	786,100	853,765	67,665
Delinquent property taxes	250,000	250,000	151,395	(98,605)
Payments in lieu of taxes	240,000	240,000	250,811	10,811
Homestead reimbursement	342,800	342,800	348,507	5,707
Inventory replacement	85,461	85,461	85,461	-
Motor carrier	34,800	34,800	29,727	(5,073)
Manufacturer reimbursements	225,100	225,100	223,471	(1,629)
Tax penalties	110,000	110,000	105,400	(4,600)
	<u>14,900,861</u>	<u>14,900,861</u>	<u>14,781,810</u>	<u>(119,051)</u>
Fees, licenses and permits				
Building permits	805,000	805,000	928,852	123,852
Vendor permits	2,000	2,000	4,300	2,300
Temporary zoning fees	10,000	10,000	9,200	(800)
Contractor registrations	120,000	120,000	143,945	23,945
Street sign fees	15,000	15,000	17,009	2,009
Hazardous chemicals filing fees	2,000	2,000	400	(1,600)
Mobile home title retirement fees	1,000	1,000	1,300	300
Mobile home license fees	1,500	1,500	1,930	430
Recording fees	220,000	220,000	163,298	(56,702)
EMS fees	1,900,000	1,900,000	2,099,123	199,123
Health department fees	24,000	24,000	2,918	(21,082)
Planning and zoning fees	42,000	42,000	38,991	(3,009)
Court fees	250,000	250,000	239,820	(10,180)
Documentary stamps	550,000	550,000	511,422	(38,578)
Bond estreatments	5,000	5,000	5,681	681
Delinquent tax fees	400,000	400,000	353,015	(46,985)
Community alert network fees	7,059	7,059	7,059	-
Civil fees	85,000	85,000	96,590	11,590
Coroner fees	500	500	278	(222)
Magistrate costs	8,000	8,000	4,693	(3,307)
Estate fees	120,000	120,000	133,069	13,069
Probate court fees	16,000	16,000	15,558	(442)
Marriage license fees	16,000	16,000	18,190	2,190
Bad check fees	16,000	16,000	11,603	(4,397)
Photocopy fees	55,000	55,000	51,493	(3,507)
Certifications	9,000	9,000	9,780	780
Probate court publications	11,000	11,000	10,395	(605)
Master in Equity fees	150,000	150,000	168,559	18,559
Encroachment permit fees	1,000	1,000	1,400	400
Pawleys Island board of appeals fees	500	500	1,170	670
Pawleys Island building & zoning fees	12,000	12,000	25,917	13,917

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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Fees, licenses and permits (continued)				
Andrews permit fees	12,000	12,000	8,660	(3,340)
P&R facility rental fees	-	-	17,680	17,680
P&R program fees	80,000	80,000	107,101	27,101
P&R program fees	-	-	712	712
P&R baseball league fees	4,500	4,500	3,306	(1,194)
Late fees	1,000	1,000	650	(350)
Airport fuel sales	9,000	9,000	9,763	763
EMS franchise fees	300	300	10,100	9,800
Cable franchise fees	400,000	400,000	401,790	1,790
Utility franchise fees	750,000	750,000	834,657	84,657
Multi-county park fees	2,500	2,500	2,678	178
GIS map sales	1,500	1,500	4,897	3,397
Pawleys Island magistrate fees	5,400	5,400	3,600	(1,800)
Andrews magistrate fees	20,400	20,400	20,400	-
	<u>6,141,159</u>	<u>6,141,159</u>	<u>6,502,952</u>	<u>361,793</u>
Fines and forfeitures				
Magistrate fines	100,000	100,000	93,019	(6,981)
Library fines	25,000	25,000	30,429	5,429
	<u>125,000</u>	<u>125,000</u>	<u>123,448</u>	<u>(1,552)</u>
Use of money and property				
Investment earnings	20,000	20,000	7,228	(12,772)
Litchfield Exchange rent	-	-	30,034	30,034
Other property rent	99,000	99,000	128,177	29,177
Airport misc sales and rent	26,000	26,000	24,263	(1,737)
Corporate hangar rent	32,000	32,000	28,440	(3,560)
Non-corporate hangar rent	69,000	69,000	70,506	1,506
Garage rent	11,400	11,400	10,925	(475)
	<u>257,400</u>	<u>257,400</u>	<u>299,573</u>	<u>42,173</u>
Intergovernmental				
Local government fund	2,209,380	2,209,380	2,222,220	12,840
Mini bottle tax	91,393	91,393	92,402	1,009
DSS - service maintenance	48,000	48,000	48,978	978
Veterans affairs	5,000	5,000	5,100	100
Election Commission stipends	12,500	12,500	12,500	-
Reimb election expenditures	64,303	64,303	45,040	(19,263)
Refuge revenue sharing	6,000	6,000	8,721	2,721
Library support	75,000	75,000	75,197	197
Accommodations tax	30,000	30,000	54,936	24,936
Salary supplement for elected officials	6,300	6,300	6,300	-
Other state revenue	500	500	8,792	8,292
	<u>2,548,376</u>	<u>2,548,376</u>	<u>2,580,186</u>	<u>31,810</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Grants				
Emergency preparedness	24,532	24,532	24,532	-
Lottery	11,000	11,000	-	(11,000)
	<u>35,532</u>	<u>35,532</u>	<u>24,532</u>	<u>(11,000)</u>
Other				
P&R food sales	20,000	20,000	7,503	(12,497)
Tournament revenues	120,000	120,000	26,610	(93,390)
Profit on park pass sales	3,500	3,500	3,163	(337)
Workers compensation receipts	500	500	-	(500)
Insurance claims reimbursements	10,000	10,000	9,075	(925)
Escheated taxes	15,000	15,000	16,120	1,120
Salary supplement - library	8,000	8,000	10,365	2,365
Contributions and donations	1,000	1,000	240	(760)
Timber sales	-	-	116,952	116,952
Miscellaneous	50,100	50,100	62,700	12,600
	<u>228,100</u>	<u>228,100</u>	<u>252,728</u>	<u>24,628</u>
Total Revenues	\$ 24,236,428	\$ 24,236,428	\$ 24,565,229	\$ 328,801
Expenditures				
General government				
County council				
Current				
Personal services	\$ 178,710	\$ 181,907	\$ 180,828	\$ 1,079
Operations and maintenance	42,785	38,685	37,079	1,606
	<u>221,495</u>	<u>220,592</u>	<u>217,907</u>	<u>2,685</u>
Administration				
Current				
Personal services	255,495	262,865	262,738	127
Operations and maintenance	22,302	31,703	31,258	445
	<u>277,797</u>	<u>294,568</u>	<u>293,996</u>	<u>572</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	513,675	508,827	505,080	3,747
Operations and maintenance	30,390	30,313	22,967	7,346
	<u>544,065</u>	<u>539,140</u>	<u>528,047</u>	<u>11,093</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Purchasing				
Current				
Personal services	147,435	150,697	150,695	2
Operations and maintenance	12,025	11,747	8,833	2,914
	<u>159,460</u>	<u>162,444</u>	<u>159,528</u>	<u>2,916</u>
Personnel				
Current				
Personal services	284,845	291,028	290,384	644
Operations and maintenance	18,453	18,374	15,898	2,476
	<u>303,298</u>	<u>309,402</u>	<u>306,282</u>	<u>3,120</u>
Master-In-Equity				
Current				
Personal services	64,130	65,500	60,965	4,535
Operations and maintenance	1,050	1,050	389	661
	<u>65,180</u>	<u>66,550</u>	<u>61,354</u>	<u>5,196</u>
Management information services				
Current				
Personal services	376,680	384,615	383,877	738
Operations and maintenance	924,095	920,410	919,070	1,340
Capital outlay	-	20,510	20,510	-
	<u>1,300,775</u>	<u>1,325,535</u>	<u>1,323,457</u>	<u>2,078</u>
Courts				
Current				
Personal services	109,850	85,241	82,565	2,676
Operations and maintenance	86,644	86,643	83,560	3,083
Capital outlay	10,782	10,783	10,782	1
	<u>207,276</u>	<u>182,667</u>	<u>176,907</u>	<u>5,760</u>
Solicitor				
Current				
Operations and maintenance	910,941	910,975	910,975	-
	<u>910,941</u>	<u>910,975</u>	<u>910,975</u>	<u>-</u>
Probate court				
Current				
Personal services	234,780	239,685	238,908	777
Operations and maintenance	24,295	24,295	21,039	3,256
	<u>259,075</u>	<u>263,980</u>	<u>259,947</u>	<u>4,033</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Summary court				
Current				
Personal services	837,260	832,449	829,654	2,795
Operations and maintenance	151,710	151,677	139,087	12,590
Debt service				
Principal	5,136	5,136	5,136	-
Interest	1,265	1,265	1,265	-
	<u>995,371</u>	<u>990,527</u>	<u>975,142</u>	<u>15,385</u>
Auditor field appraisers				
Current				
Personal services	61,065	62,515	61,057	1,458
Operations and maintenance	2,345	2,345	1,519	826
	<u>63,410</u>	<u>64,860</u>	<u>62,576</u>	<u>2,284</u>
Auditor				
Current				
Personal services	220,355	224,755	219,178	5,577
Operations and maintenance	22,465	22,465	22,351	114
	<u>242,820</u>	<u>247,220</u>	<u>241,529</u>	<u>5,691</u>
GIS				
Current				
Personal services	116,215	118,715	118,288	427
Operations and maintenance	50,240	50,240	49,066	1,174
	<u>166,455</u>	<u>168,955</u>	<u>167,354</u>	<u>1,601</u>
Assessor				
Current				
Personal services	479,440	476,401	473,227	3,174
Operations and maintenance	65,975	66,763	61,749	5,014
	<u>545,415</u>	<u>543,164</u>	<u>534,976</u>	<u>8,188</u>
Treasurer				
Current				
Personal services	275,345	281,315	273,852	7,463
Operations and maintenance	107,330	107,330	104,501	2,829
	<u>382,675</u>	<u>388,645</u>	<u>378,353</u>	<u>10,292</u>
Delinquent tax collector				
Current				
Personal services	109,850	112,273	109,225	3,048
Operations and maintenance	172,675	145,847	141,127	4,720
	<u>282,525</u>	<u>258,120</u>	<u>250,352</u>	<u>7,768</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Building				
Current				
Personal services	355,575	366,625	362,815	3,810
Operations and maintenance	63,445	64,895	64,778	117
	<u>419,020</u>	<u>431,520</u>	<u>427,593</u>	<u>3,927</u>
Registration & election				
Current				
Personal services	105,696	155,582	155,376	206
Operations and maintenance	155,560	94,514	77,750	16,764
Debt service				
Principal	1,756	1,756	1,756	-
Interest	433	433	432	1
	<u>263,445</u>	<u>252,285</u>	<u>235,314</u>	<u>16,971</u>
Planning & zoning				
Current				
Personal services	373,520	376,339	367,497	8,842
Operations and maintenance	22,505	22,486	17,978	4,508
	<u>396,025</u>	<u>398,825</u>	<u>385,475</u>	<u>13,350</u>
Grants				
Current				
Operations and maintenance	9,400	9,400	8,588	812
	<u>9,400</u>	<u>9,400</u>	<u>8,588</u>	<u>812</u>
Facility services				
Current				
Personal services	354,507	362,317	352,076	10,241
Operations and maintenance	232,837	232,587	223,700	8,887
Debt service				
Principal	34,340	34,340	34,340	-
Interest	8,459	8,459	8,459	-
	<u>630,143</u>	<u>637,703</u>	<u>618,575</u>	<u>19,128</u>
Judicial facility management				
Current				
Personal services	101,030	103,016	98,107	4,909
Operations and maintenance	203,615	209,615	193,074	16,541
Debt service				
Principal	5,454	5,454	5,454	-
Interest	1,344	1,344	1,344	-
	<u>311,443</u>	<u>319,429</u>	<u>297,979</u>	<u>21,450</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Clerk of court administration				
Current				
Personal services	562,015	545,034	533,798	11,236
Operations and maintenance	44,250	44,250	32,598	11,652
	<u>606,265</u>	<u>589,284</u>	<u>566,396</u>	<u>22,888</u>
Legal				
Current				
Personal services	94,760	96,810	96,590	220
Operations and maintenance	25,485	151,289	151,273	16
	<u>120,245</u>	<u>248,099</u>	<u>247,863</u>	<u>236</u>
Clerk of court - family court				
Current				
Personal services	237,730	248,468	248,466	2
Operations and maintenance	48,575	43,187	39,434	3,753
	<u>286,305</u>	<u>291,655</u>	<u>287,900</u>	<u>3,755</u>
Register of deeds				
Current				
Personal services	185,435	189,344	188,962	382
Operations and maintenance	99,840	94,340	84,630	9,710
	<u>285,275</u>	<u>283,684</u>	<u>273,592</u>	<u>10,092</u>
Vehicle maintenance				
Current				
Operations and maintenance	49,040	57,294	57,291	3
	<u>49,040</u>	<u>57,294</u>	<u>57,291</u>	<u>3</u>
Delegation				
Current				
Personal services	14,745	15,081	14,981	100
Operations and maintenance	745	734	573	161
	<u>15,490</u>	<u>15,815</u>	<u>15,554</u>	<u>261</u>
Nondepartmental				
Current				
Personal services	1,588,000	1,592,948	1,592,947	1
Operations and maintenance	1,013,753	1,162,054	979,743	182,311
Debt service				
Principal	31,613	31,613	31,613	-
Interest	7,787	7,787	7,787	-
	<u>2,641,153</u>	<u>2,794,402</u>	<u>2,612,090</u>	<u>182,312</u>
Total general government	13,179,982	13,485,439	13,101,592	383,847

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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety				
Coroner				
Current				
Personal services	66,775	68,777	68,758	19
Operations and maintenance	105,410	106,873	106,458	415
	<u>172,185</u>	<u>175,650</u>	<u>175,216</u>	<u>434</u>
Emergency preparedness				
Current				
Personal services	108,315	109,923	109,912	11
Operations and maintenance	26,000	31,786	29,270	2,516
	<u>134,315</u>	<u>141,709</u>	<u>139,182</u>	<u>2,527</u>
Emergency operations facility				
Current				
Operations and maintenance	10,960	8,415	6,555	1,860
	<u>10,960</u>	<u>8,415</u>	<u>6,555</u>	<u>1,860</u>
Emergency services administration				
Current				
Personal services	48,020	49,576	49,338	238
Operations and maintenance	17,890	19,359	16,405	2,954
	<u>65,910</u>	<u>68,935</u>	<u>65,743</u>	<u>3,192</u>
County emergency medical services				
Current				
Personal services	1,711,615	1,787,433	1,787,354	79
Operations and maintenance	633,350	656,711	651,388	5,323
Capital outlay	-	23,700	3,274	20,426
Debt service				
Principal	2,036	2,036	2,036	-
Interest	503	503	502	1
	<u>2,347,504</u>	<u>2,470,383</u>	<u>2,444,554</u>	<u>25,829</u>
Midway emergency medical services				
Current				
Personal services	389,225	422,384	422,358	26
Operations and maintenance	169,483	179,499	176,293	3,206
Debt service				
Principal	376	376	376	-
Interest	92	92	92	-
	<u>559,176</u>	<u>602,351</u>	<u>599,119</u>	<u>3,232</u>
Total public safety	3,290,050	3,467,443	3,430,369	37,074

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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public works				
Public works crew				
Current				
Personal services	993,020	953,178	951,972	1,206
Operations and maintenance	648,980	638,236	629,074	9,162
Debt service				
Principal	1,290	1,290	1,290	-
Interest	319	319	318	1
	<u>1,643,609</u>	<u>1,593,023</u>	<u>1,582,654</u>	<u>10,369</u>
Public services administration				
Current				
Personal services	270,665	256,300	253,363	2,937
Operations and maintenance	30,997	30,336	27,210	3,126
	<u>301,662</u>	<u>286,636</u>	<u>280,573</u>	<u>6,063</u>
Total public works	1,945,271	1,879,659	1,863,227	16,432
Health & welfare				
S.C. Department of Social Services				
Current				
Operations and maintenance	64,313	64,313	61,990	2,323
Debt service				
Principal	8,674	8,674	8,674	-
Interest	2,137	2,137	2,137	-
	<u>75,124</u>	<u>75,124</u>	<u>72,801</u>	<u>2,323</u>
S.C. Health Department				
Current				
Operations and maintenance	46,985	46,985	46,044	941
Debt service				
Principal	2,018	2,018	2,018	-
Interest	497	497	497	-
	<u>49,500</u>	<u>49,500</u>	<u>48,559</u>	<u>941</u>
Veteran affairs				
Current				
Personal services	90,120	93,214	93,212	2
Operations and maintenance	11,685	11,573	11,373	200
	<u>101,805</u>	<u>104,787</u>	<u>104,585</u>	<u>202</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Health & welfare (continued)				
Indigent hospital care				
Current				
Operations and maintenance	208,827	208,827	208,827	-
	<u>208,827</u>	<u>208,827</u>	<u>208,827</u>	<u>-</u>
Alcohol & drug abuse				
Current				
Operations and maintenance	128,393	129,403	129,402	1
	<u>128,393</u>	<u>129,403</u>	<u>129,402</u>	<u>1</u>
Choppee one-stop				
Current				
Operations and maintenance	78,147	90,033	88,782	1,251
Debt service				
Principal	9,538	-	-	-
Interest	2,348	-	-	-
	<u>90,033</u>	<u>90,033</u>	<u>88,782</u>	<u>1,251</u>
Total health & welfare	653,682	657,674	652,956	4,718
Economic development				
Waccamaw regional planning				
Current				
Operations and maintenance	71,082	71,083	71,082	1
	<u>71,082</u>	<u>71,083</u>	<u>71,082</u>	<u>1</u>
Airport commission				
Current				
Personal services	44,625	46,070	45,874	196
Operations and maintenance	107,755	93,633	88,108	5,525
Capital outlay	58,973	182,291	143,163	39,128
Debt service				
Principal	9,693	9,693	9,693	-
Interest	2,388	2,388	2,387	1
	<u>223,434</u>	<u>334,075</u>	<u>289,225</u>	<u>44,850</u>
Clemson extension				
Current				
Operations and maintenance	6,850	6,850	6,553	297
Debt service				
Principal	985	985	985	-
Interest	244	244	243	1
	<u>8,079</u>	<u>8,079</u>	<u>7,781</u>	<u>298</u>
Total economic development	302,595	413,237	368,088	45,149

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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation				
Library				
Current				
Personal services	994,650	1,016,953	1,016,398	555
Operations and maintenance	254,598	252,945	241,509	11,436
Debt service				
Principal	20,587	20,587	20,587	-
Interest	5,072	5,072	5,071	1
	<u>1,274,907</u>	<u>1,295,557</u>	<u>1,283,565</u>	<u>11,992</u>
Library state aid				
Current				
Personal services	28,340	22,526	22,242	284
Operations and maintenance	46,660	56,121	52,955	3,166
	<u>75,000</u>	<u>78,647</u>	<u>75,197</u>	<u>3,450</u>
Library lottery funds				
Current				
Operations and maintenance	11,000	11,000	-	11,000
	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
CAC Marine Complex				
Current				
Personal services	19,375	-	-	-
Operations and maintenance	16,900	-	-	-
	<u>36,275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation				
Current				
Personal services	621,170	626,391	624,807	1,584
Operations and maintenance	849,310	816,983	802,065	14,918
Debt service				
Principal	29,361	29,361	29,361	-
Interest	7,232	7,232	7,232	-
	<u>1,507,073</u>	<u>1,479,967</u>	<u>1,463,465</u>	<u>16,502</u>
Park maintenance				
Current				
Personal services	406,960	414,021	412,238	1,783
Operations and maintenance	487,205	559,114	558,461	653
	<u>894,165</u>	<u>973,135</u>	<u>970,699</u>	<u>2,436</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, 2014

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation (continued)				
Recreation tournaments				
Current				
Operations and maintenance	120,000	120,000	19,534	100,466
	<u>120,000</u>	<u>120,000</u>	<u>19,534</u>	<u>100,466</u>
Total culture & recreation	3,918,420	3,958,306	3,812,460	145,846
Total Expenditures	\$ 23,290,000	\$ 23,861,758	\$ 23,228,692	\$ 633,066
Excess (Deficiency) of Revenues Over Expenditures	946,428	374,670	1,336,537	961,867
Other Financing Sources (Uses)				
Proceeds from sale of assets	65,000	65,000	204,137	139,137
Transfers in	1,684,600	1,684,600	1,749,429	64,829
Transfers out	<u>(2,900,800)</u>	<u>(2,903,225)</u>	<u>(2,880,475)</u>	<u>22,750</u>
Total Other Financing Sources (Uses)	<u>(1,151,200)</u>	<u>(1,153,625)</u>	<u>(926,909)</u>	<u>226,716</u>
Net Change in Fund Balance	(204,772)	(778,955)	409,628	1,188,583
Fund Balance - Beginning of Year	10,305,581	10,305,581	10,305,581	-
Fund Balance - End of Year	<u>\$ 10,100,809</u>	<u>\$ 9,526,626</u>	<u>\$ 10,715,209</u>	<u>\$ 1,188,583</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, 2014**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 7,366,000	\$ 7,366,000	\$ 7,310,794	\$ (55,206)
Vehicle taxes	458,100	458,100	489,655	31,555
Delinquent property taxes	150,000	150,000	86,865	(63,135)
Payments in lieu of taxes	140,000	140,000	144,002	4,002
Homestead reimbursement	197,200	197,200	200,089	2,889
Motor carrier	20,500	20,500	17,022	(3,478)
Manufacturer reimbursements	128,400	128,400	128,305	(95)
Tax penalties	68,000	68,000	60,513	(7,487)
	<u>8,528,200</u>	<u>8,528,200</u>	<u>8,437,245</u>	<u>(90,955)</u>
Fees, licenses and permits				
Miscellaneous fees	24,000	24,000	22,342	(1,658)
Photocopy fees	500	500	1,200	700
Multi-county park fees	1,100	1,100	1,537	437
Georgetown detention center fees	180,000	180,000	164,992	(15,008)
Andrews/Pawleys Island detention center fees	50,000	50,000	45,248	(4,752)
	<u>255,600</u>	<u>255,600</u>	<u>235,319</u>	<u>(20,281)</u>
Fines and forfeitures				
Sex offender fees	10,000	10,000	8,700	(1,300)
Traffic fines	600,000	600,000	596,692	(3,308)
	<u>610,000</u>	<u>610,000</u>	<u>605,392</u>	<u>(4,608)</u>
Use of money and property				
Investment earnings	3,000	3,000	1,362	(1,638)
	<u>3,000</u>	<u>3,000</u>	<u>1,362</u>	<u>(1,638)</u>
Intergovernmental				
Salary supplement for elected officials	1,575	1,575	1,575	-
Detention center fees - federal detainees	235,000	235,000	126,419	(108,581)
Misc state revenue	-	-	2,835	2,835
	<u>236,575</u>	<u>236,575</u>	<u>130,829</u>	<u>(105,746)</u>
Grants				
School district SRO reimbursement	294,025	299,225	282,501	(16,724)
Federal	1,000	1,000	1,585	585
	<u>295,025</u>	<u>300,225</u>	<u>284,086</u>	<u>(16,139)</u>
Other				
Telephone usage	35,000	35,000	29,303	(5,697)
Workers compensation receipts	1,000	1,000	2,510	1,510
Inmate per-diem	3,000	3,000	4,587	1,587

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, 2014**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Other (continued)				
Insurance claims reimbursements	5,000	5,000	64,535	59,535
Miscellaneous	4,600	4,600	12,637	8,037
	<u>48,600</u>	<u>48,600</u>	<u>113,572</u>	<u>64,972</u>
Total Revenues	\$ 9,977,000	\$ 9,982,200	\$ 9,807,805	\$ (174,395)
Expenditures				
Public safety				
Sheriff				
Current				
Personal services	\$ 4,019,682	\$ 4,105,414	\$ 3,989,159	\$ 116,255
Operations and maintenance	2,171,644	2,026,093	1,760,297	265,796
Capital outlay	-	70,660	35,659	35,001
Debt service				
Principal	5,441	5,441	5,441	-
Interest	1,341	1,341	1,341	-
	<u>6,198,108</u>	<u>6,208,949</u>	<u>5,791,897</u>	<u>417,052</u>
E911 Communications				
Current				
Personal services	756,130	811,790	811,351	439
Operations and maintenance	31,350	33,472	32,984	488
	<u>787,480</u>	<u>845,262</u>	<u>844,335</u>	<u>927</u>
Judicial center				
Current				
Personal services	604,605	613,980	605,377	8,603
Operations and maintenance	19,500	19,500	14,875	4,625
	<u>624,105</u>	<u>633,480</u>	<u>620,252</u>	<u>13,228</u>
Detention center				
Current				
Personal services	2,040,015	2,029,563	1,911,703	117,860
Operations and maintenance	1,257,395	1,308,535	1,288,332	20,203
Capital outlay	-	42,500	29,607	12,893
Debt service				
Principal	38,306	38,306	38,306	-
Interest	9,436	9,436	9,435	1
	<u>3,345,152</u>	<u>3,428,340</u>	<u>3,277,383</u>	<u>150,957</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, 2014**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
School District SRO's				
Current				
Personal services	281,025	284,435	277,966	6,469
Operations and maintenance	6,000	6,189	6,189	-
	<u>287,025</u>	<u>290,624</u>	<u>284,155</u>	<u>6,469</u>
Animal control				
Current				
Personal services	84,510	86,216	85,866	350
Operations and maintenance	104,620	104,620	99,941	4,679
	<u>189,130</u>	<u>190,836</u>	<u>185,807</u>	<u>5,029</u>
Total Expenditures	\$ 11,431,000	\$ 11,597,491	\$ 11,003,829	\$ 593,662
Excess (Deficiency) of Revenues Over Expenditures	(1,454,000)	(1,615,291)	(1,196,024)	419,267
Other Financing Sources (Uses)				
Proceeds from sale of assets	50,000	50,000	33,356	(16,644)
Transfers in	2,049,000	2,049,000	2,049,000	-
Transfers out	(645,000)	(645,000)	(632,750)	12,250
Total Other Financing Sources (Uses)	<u>1,454,000</u>	<u>1,454,000</u>	<u>1,449,606</u>	<u>(4,394)</u>
Net Change in Fund Balance	-	(161,291)	253,582	414,873
Fund Balance - Beginning of Year	1,800,986	1,800,986	1,800,986	-
Fund Balance - End of Year	<u>\$ 1,800,986</u>	<u>\$ 1,639,695</u>	<u>\$ 2,054,568</u>	<u>\$ 414,873</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Required Supplementary Information

June 30, 2014

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, 2014, 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

This page is intentionally left blank.

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 Accommodations 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.

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.

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

Special Revenue Funds

	County Fire (District I)	Midway Fire (District II)	Victims Services	Higher Education	Bureau of Aging Services
Assets					
Cash and investments	\$ 257,808	\$ 1,483,834	\$ 1,245	\$ 251,781	\$ 509,768
Receivables (net of allowances)					
Taxes	109,471	28,323	-	13,770	4,642
From other governments	358	699	-	843	-
Other	291	3,409	7,277	-	46,762
Prepaid items	33,582	25,175	958	-	4,937
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 401,510	\$ 1,541,440	\$ 9,480	\$ 266,394	\$ 566,109
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 115,407	\$ 73,342	\$ 3,014	\$ -	\$ 13,742
Accrued wages and benefits	71,660	104,471	4,722	-	15,924
To other County funds	-	-	-	-	-
Unearned revenue					
Grants	-	-	-	-	-
Total Liabilities	187,067	177,813	7,736	-	29,666
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	94,798	18,643	-	11,132	3,762
Total Deferred Inflows of Resources	94,798	18,643	-	11,132	3,762
Fund Balances					
Nonspendable					
Prepaid items	33,582	25,175	958	-	4,937
Restricted for:					
General government programs	-	-	-	255,262	-
Public safety programs	86,063	1,319,809	786	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	527,744
Culture & recreation programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	119,645	1,344,984	1,744	255,262	532,681
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 401,510	\$ 1,541,440	\$ 9,480	\$ 266,394	\$ 566,109

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

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	\$ -	\$ 131,582	\$ 289,696	\$ 781,129	\$ 113,484
Receivables (net of allowances)					
Taxes	-	-	-	5,805	-
From other governments	-	1,033	303,316	-	-
Other	15,164	-	-	5	-
Prepaid items	530	-	-	1,656	-
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 15,694	\$ 132,615	\$ 593,012	\$ 788,595	\$ 113,484
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 5,091	\$ -	\$ 90,995	\$ 33,739	\$ -
Accrued wages and benefits	3,165	-	-	4,670	-
To other County funds	6,908	-	15,166	-	-
Unearned revenue					
Grants	-	-	-	-	-
Total Liabilities	15,164	-	106,161	38,409	-
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	-	-	-	4,705	-
Total Deferred Inflows of Resources	-	-	-	4,705	-
Fund Balances					
Nonspendable					
Prepaid items	530	-	-	1,656	-
Restricted for:					
General government programs	-	132,615	-	-	-
Public safety programs	-	-	-	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	-	-	486,851	-	-
Economic development programs	-	-	-	743,825	113,484
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	530	132,615	486,851	745,481	113,484
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,694	\$ 132,615	\$ 593,012	\$ 788,595	\$ 113,484

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

Special Revenue Funds

	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement	Road Improvement	Admissions Tax
Assets					
Cash and investments	\$ 21,708	\$ 348,603	\$ 1,600,443	\$ 5,199,638	\$ -
Receivables (net of allowances)					
Taxes	-	-	-	-	-
From other governments	-	-	-	-	-
Other	-	-	-	-	-
Prepaid items	-	-	-	665	-
Assets held for resale	-	-	3,456,717	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 21,708	\$ 348,603	\$ 5,057,160	\$ 5,200,303	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ -	\$ -	\$ -	\$ 311,486	\$ -
Accrued wages and benefits	-	-	-	2,643	-
To other County funds	-	-	-	-	-
Unearned revenue					
Grants	-	-	-	-	-
Total Liabilities	-	-	-	314,129	-
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	665	-
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	21,708	-	-	-	-
Public works programs	-	-	-	4,885,509	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	-	-	-	-	-
Economic development programs	-	348,603	5,057,160	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	21,708	348,603	5,057,160	4,886,174	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,708	\$ 348,603	\$ 5,057,160	\$ 5,200,303	\$ -

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

Special Revenue Funds

	Choppee Regional Center	Local Accommodations & Hospitality Tax	Murrells Inlet Revitalization	County "Sunday Sales" Permits	Emergency Telephone System
Assets					
Cash and investments	\$ 49,158	\$ 625,836	\$ 312,708	\$ -	\$ 393,941
Receivables (net of allowances)					
Taxes	-	719,039	-	-	-
From other governments	-	-	19,650	15,900	84,636
Other	5,663	-	-	-	-
Prepaid items	3,089	-	-	-	1,005
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	25,461	-	-
Total Assets	\$ 57,910	\$ 1,344,875	\$ 357,819	\$ 15,900	\$ 479,582
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 9,976	\$ -	\$ -	\$ -	\$ 2,261
Accrued wages and benefits	-	-	-	-	4,412
To other County funds	-	-	-	-	-
Unearned revenue					
Grants	-	-	-	-	-
Total Liabilities	9,976	-	-	-	6,673
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid items	3,089	-	-	-	1,005
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	-	-	-	-	471,904
Public works programs	-	-	-	-	-
Health & welfare programs	44,845	-	-	-	-
Culture & recreation programs	-	1,344,875	357,819	15,900	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	47,934	1,344,875	357,819	15,900	472,909
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,910	\$ 1,344,875	\$ 357,819	\$ 15,900	\$ 479,582

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	Special Revenue Funds				
	Bike the Neck	Public Safety Grants	Public Works Grants	Health & Welfare Grants	Economic Development Grants
Assets					
Cash and investments	\$ 27,521	\$ -	\$ -	\$ -	\$ -
Receivables (net of allowances)					
Taxes	-	-	-	-	-
From other governments	-	23,582	253,321	1,330	1,745,410
Other	-	-	-	-	-
Prepaid items	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Restricted assets					
Cash and investments	-	-	-	-	-
Total Assets	\$ 27,521	\$ 23,582	\$ 253,321	\$ 1,330	\$ 1,745,410
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ -	\$ 11,880	\$ 341,830	\$ 18	\$ 581,103
Accrued wages and benefits	-	-	-	185	-
To other County funds	-	24,274	3,913,791	729	1,323,328
Unearned revenue					
Grants	-	7,500	-	398	-
Total Liabilities	-	43,654	4,255,621	1,330	1,904,431
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	-	-
Restricted for:					
General government programs	-	-	-	-	-
Public safety programs	-	-	-	-	-
Public works programs	-	-	-	-	-
Health & welfare programs	-	-	-	-	-
Culture & recreation programs	27,521	-	-	-	-
Economic development programs	-	-	-	-	-
Assigned for:					
Capital improvements	-	-	-	-	-
Unassigned	-	(20,072)	(4,002,300)	-	(159,021)
Total Fund Balances	27,521	(20,072)	(4,002,300)	-	(159,021)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,521	\$ 23,582	\$ 253,321	\$ 1,330	\$ 1,745,410

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Culture & Recreation Grants	Environmental Services Grants	Total Special Revenue Funds	Capital Equipment Replacement	
Assets					
Cash and investments	\$ -	\$ -	\$ 12,399,883	\$ 3,542,743	\$ 15,942,626
Receivables (net of allowances)					
Taxes	-	-	881,050	-	881,050
From other governments	35,557	12,230	2,497,865	-	2,497,865
Other	-	4	78,575	88	78,663
Prepaid items	196,974	-	268,571	-	268,571
Assets held for resale	-	-	3,456,717	-	3,456,717
Restricted assets					
Cash and investments	-	-	25,461	-	25,461
Total Assets	\$ 232,531	\$ 12,234	\$ 19,608,122	\$ 3,542,831	\$ 23,150,953
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Payables					
Trade and other accounts	\$ 7,648	\$ 7,043	\$ 1,608,575	\$ 98,473	\$ 1,707,048
Accrued wages and benefits	-	-	211,852	-	211,852
To other County funds	15,185	5,094	5,304,475	-	5,304,475
Unearned revenue					
Grants	25,211	97	33,206	-	33,206
Total Liabilities	48,044	12,234	7,158,108	98,473	7,256,581
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	-	-	133,040	-	133,040
Total Deferred Inflows of Resources	-	-	133,040	-	133,040
Fund Balances					
Nonspendable					
Prepaid items	184,487	-	256,084	-	256,084
Restricted for:					
General government programs	-	-	387,877	-	387,877
Public safety programs	-	-	1,900,270	-	1,900,270
Public works programs	-	-	4,885,509	-	4,885,509
Health & welfare programs	-	-	572,589	-	572,589
Culture & recreation programs	-	-	2,232,966	-	2,232,966
Economic development programs	-	-	6,263,072	-	6,263,072
Assigned for:					
Capital improvements	-	-	-	3,444,358	3,444,358
Unassigned	-	-	(4,181,393)	-	(4,181,393)
Total Fund Balances	184,487	-	12,316,974	3,444,358	15,761,332
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 232,531	\$ 12,234	\$ 19,608,122	\$ 3,542,831	\$ 23,150,953

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

Special Revenue Funds

	County Fire (District I)	Midway Fire (District II)	Victims Services	Higher Education	Bureau of Aging Services
Revenues					
Property taxes	\$ 2,687,882	\$ 3,402,794	\$ -	\$ 674,678	\$ 223,755
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	84,067	297,515	131,041	110	605,173
Use of money and property	152	879	-	138	469
Intergovernmental	-	-	-	-	-
Grants	-	-	-	-	-
Other	10,159	52,917	4,299	-	20,059
Total Revenues	\$ 2,782,260	\$ 3,754,105	\$ 135,340	\$ 674,926	\$ 849,456
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ 612,000	\$ -
Public safety	2,587,298	3,293,376	195,925	-	-
Public works	-	-	-	-	-
Health & welfare	-	-	-	-	756,042
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	2,587,298	3,293,376	195,925	612,000	756,042
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Debt Service					
Principal	4,136	1,330	-	-	4,815
Interest	1,020	328	-	-	1,186
Total Debt Service	5,156	1,658	-	-	6,001
Total Expenditures	\$ 2,592,454	\$ 3,295,034	\$ 195,925	\$ 612,000	\$ 762,043
Excess (Deficiency) of Revenues Over Expenditures	189,806	459,071	(60,585)	62,926	87,413
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	14,944	12,661	-	-	-
Transfers in	-	92,640	61,425	-	-
Transfers out	(216,300)	(370,200)	-	-	(66,950)
Total Other Financing Sources (Uses)	(201,356)	(264,899)	61,425	-	(66,950)
Net Change in Fund Balances	(11,550)	194,172	840	62,926	20,463
Fund Balances - Beginning of Year	131,195	1,150,812	904	192,336	512,218
Fund Balances - End of Year	\$ 119,645	\$ 1,344,984	\$ 1,744	\$ 255,262	\$ 532,681

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds				
	Clerk of Court Unit Cost	Clerk of Court Incentive	State Accommodations Tax	Economic Development	Economic Development Marketing
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 279,825	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	51	32,831
Use of money and property	-	72	1,002	443	69
Intergovernmental	194,970	32,383	1,179,601	-	-
Grants	-	-	-	-	-
Other	37	-	-	153,031	-
Total Revenues	\$ 195,007	\$ 32,455	\$ 1,180,603	\$ 433,350	\$ 32,900
Expenditures					
Current					
General government	\$ 123,696	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health & welfare	-	-	-	-	-
Economic development	-	-	-	309,931	27,592
Culture & recreation	-	-	1,014,315	-	-
Environmental services	-	-	-	-	-
Total Current	123,696	-	1,014,315	309,931	27,592
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ 123,696	\$ -	\$ 1,014,315	\$ 309,931	\$ 27,592
Excess (Deficiency) of Revenues Over Expenditures	71,311	32,455	166,288	123,419	5,308
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(71,349)	-	(82,730)	-	-
Total Other Financing Sources (Uses)	(71,349)	-	(82,730)	-	-
Net Change in Fund Balances	(38)	32,455	83,558	123,419	5,308
Fund Balances - Beginning of Year	568	100,160	403,293	622,062	108,176
Fund Balances - End of Year	\$ 530	\$ 132,615	\$ 486,851	\$ 745,481	\$ 113,484

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds				
	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement	Road Improvement	Admissions Tax
Revenues					
Property taxes	\$ -	\$ -	\$ 36,054	\$ -	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	1,763,820	-
Use of money and property	-	9,137	1,017	2,995	-
Intergovernmental	-	-	-	-	33,875
Grants	-	-	-	-	-
Other	1,720	-	-	-	-
Total Revenues	\$ 1,720	\$ 9,137	\$ 37,071	\$ 1,766,815	\$ 33,875
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	2,336	-	-	-	-
Public works	-	-	-	288,628	-
Health & welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	2,336	-	-	288,628	-
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	894,456	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	-	-	894,456	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ 2,336	\$ -	\$ -	\$ 1,183,084	\$ -
Excess (Deficiency) of Revenues Over Expenditures	(616)	9,137	37,071	583,731	33,875
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(81,916)	(6,000)	(86,705)
Total Other Financing Sources (Uses)	-	-	(81,916)	(6,000)	(86,705)
Net Change in Fund Balances	(616)	9,137	(44,845)	577,731	(52,830)
Fund Balances - Beginning of Year	22,324	339,466	5,102,005	4,308,443	52,830
Fund Balances - End of Year	\$ 21,708	\$ 348,603	\$ 5,057,160	\$ 4,886,174	\$ -

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds				
	Choppee Regional Center	Local Accommodations & Hospitality Tax	Murrells Inlet Revitalization	County "Sunday Sales" Permits	Emergency Telephone System
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local taxes					
Local accommodations	-	1,926,592	-	-	-
Hospitality	-	2,435,600	-	-	-
Fees, licenses and permits	-	-	-	-	436,542
Use of money and property	29,878	342	226	-	218
Intergovernmental	-	-	79,050	69,750	119,169
Grants	-	-	-	-	-
Other	70	-	-	-	353
Total Revenues	\$ 29,948	\$ 4,362,534	\$ 79,276	\$ 69,750	\$ 556,282
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	346,974
Public works	-	-	-	-	-
Health & welfare	17,332	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	465	-	-
Environmental services	-	-	-	-	-
Total Current	17,332	-	465	-	346,974
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Culture & recreation	-	-	125,470	-	-
Total Capital Outlay	-	-	125,470	-	-
Debt Service					
Principal	10,123	-	-	-	-
Interest	2,493	-	-	-	-
Total Debt Service	12,616	-	-	-	-
Total Expenditures	\$ 29,948	\$ -	\$ 125,935	\$ -	\$ 346,974
Excess (Deficiency) of Revenues Over Expenditures	-	4,362,534	(46,659)	69,750	209,308
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(4,187,840)	-	(67,413)	-
Total Other Financing Sources (Uses)	-	(4,187,840)	-	(67,413)	-
Net Change in Fund Balances	-	174,694	(46,659)	2,337	209,308
Fund Balances - Beginning of Year	47,934	1,170,181	404,478	13,563	263,601
Fund Balances - End of Year	\$ 47,934	\$ 1,344,875	\$ 357,819	\$ 15,900	\$ 472,909

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds				
	Bike the Neck	Public Safety Grants	Public Works Grants	Health & Welfare Grants	Economic Development Grants
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local taxes					
Local accommodations	-	-	-	-	-
Hospitality	-	-	-	-	-
Fees, licenses and permits	-	-	-	-	-
Use of money and property	18	-	-	-	-
Intergovernmental	-	-	-	-	-
Grants	-	254,691	664,039	10,382	4,695,213
Other	450	-	-	-	-
Total Revenues	\$ 468	\$ 254,691	\$ 664,039	\$ 10,382	\$ 4,695,213
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	203,840	-	-	-
Public works	-	-	4,368,006	-	-
Health & welfare	-	-	-	10,382	-
Economic development	-	-	-	-	2,800,928
Culture & recreation	-	-	-	-	-
Environmental services	-	-	-	-	-
Total Current	-	203,840	4,368,006	10,382	2,800,928
Capital Outlay					
General government	-	-	-	-	-
Public safety	-	67,393	-	-	-
Public works	-	-	248,171	-	-
Economic development	-	-	-	-	1,943,497
Culture & recreation	-	-	-	-	-
Total Capital Outlay	-	67,393	248,171	-	1,943,497
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	\$ -	\$ 271,233	\$ 4,616,177	\$ 10,382	\$ 4,744,425
Excess (Deficiency) of Revenues Over Expenditures	468	(16,542)	(3,952,138)	-	(49,212)
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(2,334)	-	-	-	-
Total Other Financing Sources (Uses)	(2,334)	-	-	-	-
Net Change in Fund Balances	(1,866)	(16,542)	(3,952,138)	-	(49,212)
Fund Balances - Beginning of Year	29,387	(3,530)	(50,162)	-	(109,809)
Fund Balances - End of Year	\$ 27,521	\$ (20,072)	\$ (4,002,300)	\$ -	\$ (159,021)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Culture & Recreation Grants	Environmental Services Grants	Total Special Revenue Funds	Capital Equipment Replacement	
Revenues					
Property taxes	\$ -	\$ -	\$ 7,304,988	\$ -	\$ 7,304,988
Local taxes					
Local accommodations	-	-	1,926,592	-	1,926,592
Hospitality	-	-	2,435,600	-	2,435,600
Fees, licenses and permits	-	-	3,351,150	-	3,351,150
Use of money and property	-	-	47,055	2,132	49,187
Intergovernmental	-	-	1,708,798	-	1,708,798
Grants	210,304	24,935	6,859,564	-	6,859,564
Other	-	-	243,095	20,306	263,401
Total Revenues	\$ 210,304	\$ 24,935	\$ 22,876,842	\$ 22,438	\$ 22,899,280
Expenditures					
Current					
General government	\$ -	\$ -	\$ 735,696	\$ -	\$ 735,696
Public safety	-	-	6,629,749	-	6,629,749
Public works	-	-	4,656,634	-	4,656,634
Health & welfare	-	-	783,756	-	783,756
Economic development	-	-	3,138,451	-	3,138,451
Culture & recreation	149,908	-	1,164,688	-	1,164,688
Environmental services	-	24,935	24,935	-	24,935
Total Current	149,908	24,935	17,133,909	-	17,133,909
Capital Outlay					
General government	-	-	-	23,349	23,349
Public safety	-	-	67,393	1,322,010	1,389,403
Public works	-	-	1,142,627	636,221	1,778,848
Economic development	-	-	1,943,497	-	1,943,497
Culture & recreation	(28,145)	-	97,325	44,744	142,069
Total Capital Outlay	(28,145)	-	3,250,842	2,026,324	5,277,166
Debt Service					
Principal	-	-	20,404	1,449,121	1,469,525
Interest	-	-	5,027	134,173	139,200
Total Debt Service	-	-	25,431	1,583,294	1,608,725
Total Expenditures	\$ 121,763	\$ 24,935	\$ 20,410,182	\$ 3,609,618	\$ 24,019,800
Excess (Deficiency) of Revenues Over Expenditures	88,541	-	2,466,660	(3,587,180)	(1,120,520)
Other Financing Sources (Uses)					
Proceeds from capital lease financing	-	-	-	933,977	933,977
Proceeds from sale of assets	-	-	27,605	-	27,605
Transfers in	2,334	-	156,399	1,863,750	2,020,149
Transfers out	-	-	(5,239,737)	-	(5,239,737)
Total Other Financing Sources (Uses)	2,334	-	(5,055,733)	2,797,727	(2,258,006)
Net Change in Fund Balances	90,875	-	(2,589,073)	(789,453)	(3,378,526)
Fund Balances - Beginning of Year	93,612	-	14,906,047	4,233,811	19,139,858
Fund Balances - End of Year	\$ 184,487	\$ -	\$ 12,316,974	\$ 3,444,358	\$ 15,761,332

Schedule of Fines, Assessments and Surcharges

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Fines, Assessments and Surcharges For the Year Ended June 30, 2014

Fines & Fees - State Portion	
Bond Estreatment	\$ 2,625
Circuit/Family Court Motion Fees	44,585
Family Court Alimony/Child Support Fees	116,490
Circuit/Family Court Fines & Other	16,706
Circuit/Family Court Filing Fees	148,551
Magistrate Court Filing Assessments	30,933
Total Fines & Fees - State Portion	<u>\$ 359,890</u>
 DUI Assessments & Surcharges - State Portion	
Boating Under the Influence	\$ 400
Magistrate Court DUI	708
Magistrate Court DUI, DPS Pullout	9,413
General Sessions Court DUI Surcharge	305
Magistrate Court DUI Surcharge	5,396
General Sessions Court DUI DPS Pullout	305
Magistrate Court DUI DPS Pullout	5,536
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	879
Total DUI Assessments - State Portion	<u>\$ 22,942</u>
 Other Surcharges - State Portion	
General Sessions Court Drug Surcharge	\$ 8,441
Magistrate Court Drug Surcharge	11,037
General Sessions Court Law Enforcement Surcharge	6,553
Magistrate Court Law Enforcement Surcharge	290,428
General Sessions Court Criminal Justice Academy Surcharge	1,130
Magistrates Court Criminal Justice Academy Surcharge	57,850
Total Other Surcharges - State Portion	<u>\$ 375,439</u>
 Other Assessments - State Portion	
General Sessions Court	\$ 11,156
Magistrate Court	557,906
Total Other Assessments - State Portion	<u>\$ 569,062</u>
 Victims Assessments - County Portion	
General Sessions Court	\$ 4,710
Magistrate Court	70,100
Total Victims Assessments - County Portion	<u>\$ 74,810</u>
 Victims Surcharges - County Portion	
General Sessions Court	\$ 29,363
Magistrate Court	26,868
Total Victims Surcharges - County Portion	<u>\$ 56,231</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

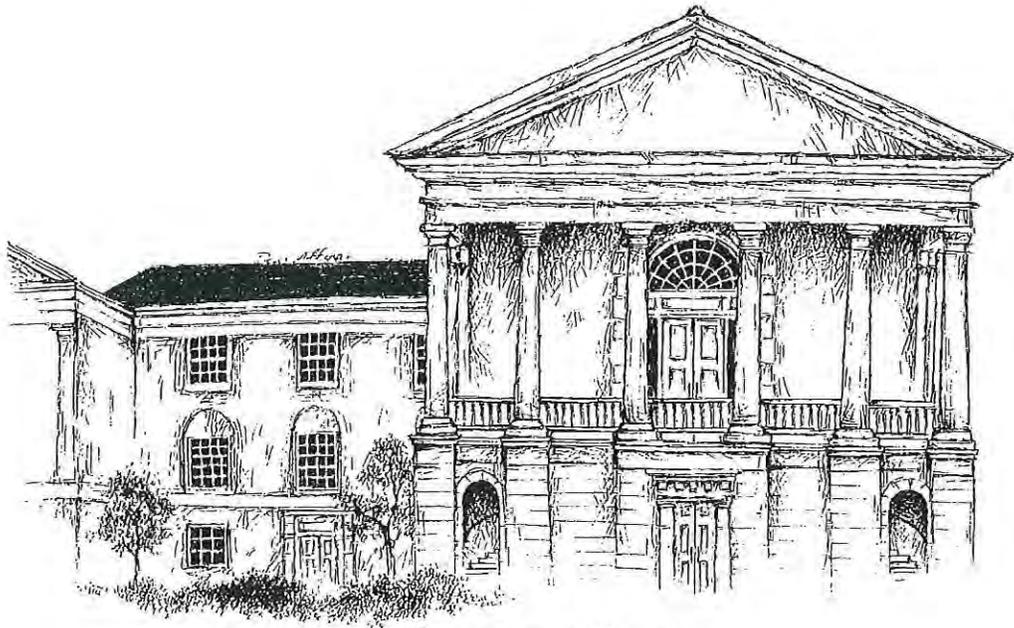
Schedule of Fines, Assessments and Surcharges
For the Year Ended June 30, 2014

Summary of Changes in Victims Services Fund Balance

Victims Services Assessments and Surcharges	\$ 131,041
Contributions from General Fund	40,675
Contributions from Law Enforcement Fund	20,750
Contributions from Others	4,014
Miscellaneous Receipts	285
Current Year Victims Services Expenditures	<u>(195,925)</u>
Increase (Decrease) in Victims Services Fund Balance	840
Victims Services Fund Balance - Beginning of Year	<u>904</u>
Victims Services Fund Balance - End of Year	<u>\$ 1,744</u>

This page is intentionally left blank.

SINGLE AUDIT SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Direct Programs			
Library Bookmobile	10.766	SC-00-05 Georgetown	\$ 3,503
Andrews EMS Station	10.766	N/A	6,907
Passed through State			
<i>S.C. Department of Social Services</i>			
Food Nutrition Service (FNS)			
State Administrative Matching Grant Food Stamp Program & FS Fraud	10.561	5SC400407	<u>11,843</u>
			<u>22,253</u>
U.S. Department of Housing and Urban Development			
Direct Programs			
Home Investment Partnership	14.239	M-09-DC-45-0214	53,876
Home Investment Partnership	14.239	M-10-DC-45-0214	336,944
Home Investment Partnership	14.239	M-11-DC-45-0214	551,706
Home Investment Partnership	14.239	M-12-DC-45-0214	303,472
Home Investment Partnership	14.239	M-13-DC-45-0214	67,058
Passed through State			
<i>S.C. Department of Commerce</i>			
CDBG - Maryville Sewer Improvements	14.228	4-CI-11-011	345,255
CDBG - Annie Village Sewer Improvements	14.228	4-CI-12-009	420,381
CDBG - Plantersville Sewer Improvements	14.228	4-A-12-001	338,496
CDBG - Community Planning	14.228	4-RP-12-008	<u>50,000</u>
			<u>2,467,188</u>
U.S. Department of Interior			
Passed through State			
<i>S.C. PRT National Heritage Corridor</i>			
Murrells Inlet Jetty View Walk	15.904	P28050101101	<u>19,133</u>
			<u>19,133</u>
U.S. Department of Justice			
Direct Programs			
State Criminal Alien Assistance Program - Detention Center	16.606	N/A	1,585
Byrne - Technology & Equipment Enhancement	16.738	2011-DJ-BX-2093	23,068
Byrne - Technology & Equipment Enhancement	16.738	2013-DJ-BX-1136	3,643

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Justice (continued)			
Passed through State			
S.C. Department of Public Safety			
Domestic Violence Investigator	16.738	1G12031	39,595
			<u>67,891</u>
U.S. Department of Transportation			
Direct Programs			
Georgetown Airport - RSA Grading - Runway 523	20.106	3-45-0025-012-2010	6,080
Georgetown Airport - Runway & Taxiway Lighting Rehab	20.106	3-45-0025-013-2011	81,691
Andrews Airport - Hangar Taxiway	20.106	3-45-0005-006-2012	1,593
Andrews Airport - Taxiway Phase II	20.106	3-45-0005-007-2013	169,394
Georgetown Airport - Rehab Taxiways A, B and C	20.106	3-45-0025-015-2013	1,540,435
Georgetown Airport - T-Hangar Taxi-Lane and Sitework	20.106	3-45-0025-016-2014	29,583
Passed through State			
S.C. Department of Commerce, Aeronautics Commission			
Georgetown Airport - Runway 523 Taxiway Rehab	20.106	3-45-4500-018-2012	20,774
			<u>1,849,550</u>
Institute of Museums & Library Services			
Passed through State			
S.C. State Library			
LSTA - Library Early Childhood Literacy Program	45.310	IID-12-05	8,669
LSTA - Summer Reading	45.310	IID-12-117	1,000
LSTA - Sacred Accounts - Digital Library	45.310	IID-13-09	20,456
LSTA - AWE Literacy Station	45.310	IID-13-105	3,000
LSTA - LJ Summit	45.310	IIIA-13-03	1,499
LSTA - Book to Action	45.310	IID-13-301	1,868
			<u>36,492</u>
U.S. Environmental Protection Agency			
Passed through State			
S.C. Department of Health & Environmental Control			
Best Management Practices for Fecal Coliform Load Reduction to Shellfish Waters	66.460	EQ-0-169	4,702
			<u>4,702</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

	<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			
<i>S.C. Department of Social Services</i>			
Child Support Enforcement IV-D			
Filing Fees	93.563	G1401SC1401	38,250
Service of Process Payments	93.563	G1401SC1401	18,348
Transaction Reimbursement	93.563	G1401SC1401	105,348
Administration for Children & Families Program			
Family Preservation (CWS Part II)	93.556	G1310SCFPSS	127
Temporary Assistance for Needy Families - TANF Block Grant	93.558	G1402SCTANF	11,030
Child Support Enforcement	93.563	G1401SC1401	34
Child Care Development Fund	93.596	G1401SCCCDF	147
Child Welfare Services - State Grant	93.645	G1401SC1400	284
Title IV-E Foster Care	93.658	G1401SC1401	7,043
Social Services Block Grant Administration	93.667	G1402SCSOSR	4,663
Centers for Medicare & Medicaid Services (CMS)			
Medicaid Administration	93.778	N/A	11,299
<i>S.C. Lieutenant Governor's Office - Office on Aging</i>			
Chronic Disease Self Management	93.734	CDSMP12-06	4,906
			<u>201,479</u>
U.S. Department of Homeland Security			
Direct Programs			
Staffing for Adequate Fire & Emergency Response	97.044	EMW-2010-FH-00399	16,993
Passed through State			
<i>S.C. Office of the Adjutant General, Emergency Management Division</i>			
Public Assistance - Ice Storm PAX	97.036	FEMA-4166-DR-SC	3,531,215
LEMPG	97.042	11EMPG01	3,731
LEMPG	97.042	12EMPG01	13,780
LEMPG	97.042	13EMPG01	57,610
Citizens Corp	97.067	11CCP01	9,000
CERT Supplemental	97.067	12SHSP32	3,000
<i>S.C. Law Enforcement Division (SLED)</i>			
Communications Interoperability - VHF Radios	97.067	13SHSP52	13,165
			<u>3,648,494</u>
		Grand Total	<u>\$ 8,317,182</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

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 \$365,190 outstanding as of June 30, 2014. 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, 2014, 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 16, 2014.

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. 2014-1.

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 16, 2014

**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, 2014. 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, 2014.

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 16, 2014

**GEORGETOWN COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

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 programs for Georgetown County, South Carolina for the fiscal year ended June 30, 2014 are:

<u>Program Name</u>	<u>CFDA #</u>
Community Development Block Grant	14.228
Disaster Grants – Public Assistance (Presidential Disaster Area)	97.036

- 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 2014-1:

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, 2014**

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

Finding 2014-1 (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 County Treasurer's Office is aware the tax bank account has not been reconciled to the County's general ledger. Currently there are two systems (our Strawn & Neil tax software and our New World Systems financial accounting/general ledger software) accessed to balance to the ledger. On a daily basis, cash drawer reports, check registers and deposits within the Treasurer's Office appear to balance to Strawn & Neil daily and monthly reports; however, it has been determined that not all of these transactions are being interfaced properly into the New World Systems accounting system.

The MIS, Finance and Treasurer's offices are currently working together to solve all issues regarding reconciling bank account activity to the County's general ledger. We have recently identified several recurring errors that originate from programming mistakes in the Strawn & Neil software. In addition, there have been some misunderstandings discovered regarding the preparation of certain manual journal entries that are of a recurring nature. All departments will continue to work together to ensure future data is interfaced properly from the Treasurer's Office and all errors are corrected as soon as they are detected.

The Treasurer's Office believes opening a new tax bank account will not solve the current reconciliation issues since errors still exist within the programming software, which until fixed, will continue to cause problems to the Treasurer's Office in reconciling to the bank, as well as to the County's general ledger.

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

There were no findings noted for the year ended June 30, 2014 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 2014-1 was a finding during the audit year ended June 30, 2013.