

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2009**

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2009**

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INDEPENDENT AUDITORS' REPORT

Honorable Members of the County Council
Kershaw County
Camden, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Kershaw County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

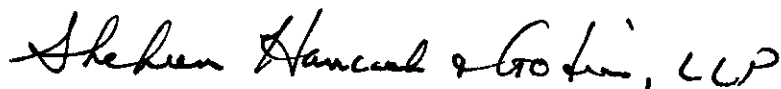
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2010, on our consideration of Kershaw 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3-12, the budgetary comparison for the General Fund on page 61, and the schedules of funding progress and employer contributions on page 62, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kershaw County, South Carolina's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 of Kershaw County, South Carolina. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully Submitted,



Sheheen, Hancock and Godwin, LLP
Certified Public Accountants

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009**

This section of Kershaw County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended June 30, 2009. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of Kershaw County exceeded its liabilities at the close of the most recent fiscal year by \$42,059,596. Of this amount, \$32,520,246 may be used to meet the County's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Kershaw County's governmental funds reported combined ending fund balances of \$9,683,195.
- At the end of the fiscal year the unreserved fund balance for the General Fund was \$4,277,957.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, a section that presents combining and individual fund statements and schedules for major and non-major governmental funds and fiduciary funds and a compliance section. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the sewer system.
 - Fiduciary fund statements provide information about the financial relationships – like the collection of taxes for the Kershaw County School District – in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Figure A-1. Major Features of Kershaw County's Government-wide and Fund Financial Statements

	<u>Fund Statements</u>		
	<u>Government Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Government-wide Statements Entire County government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: the sewer system
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short- and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter.	All assets and liabilities, both financial and capital, and short- and long-term
Type of inflow/ outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid All revenues and expenses during year, regardless of when cash is received or paid
			Statement of fiduciary net assets, Statement of changes in fiduciary net assets

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Government-Wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets – the difference between the County's assets and liabilities – is one way to measure the County's financial health, or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories:

- Governmental activities – Most of the County's basic services are included here, such as public safety, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities – The County charges fees to customers to help it cover the costs of the County's sewer system. This activity is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and bond covenants.
- The County establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants (like aid from the U.S. Department of Housing and Urban Development).

The County has three kinds of funds:

- Governmental funds—Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- Proprietary funds—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the County's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Fiduciary funds—The County is the trustee, or fiduciary, for the Kershaw County School District's funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets. The County's combined net assets at the end of the current fiscal year are \$42,059,596. Looking at the net assets and net expenses of governmental and business-type activities separately reflects that net assets from governmental activities make up 77.3 % of total net assets. The following table is a summary of the County's net assets for 2009 compared to 2008.

Table 1
Kershaw County's Net Assets

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Current and Other Assets	\$15,429,430	\$15,741,364	\$ (311,934)
Capital Assets	<u>50,917,110</u>	<u>42,258,211</u>	<u>8,658,899</u>
Total Assets	<u>66,346,540</u>	<u>57,999,575</u>	<u>8,346,965</u>
Long-Term Debt Outstanding	20,629,286	14,578,866	6,050,420
Other Liabilities	<u>3,657,658</u>	<u>4,855,780</u>	<u>(1,198,122)</u>
Total Liabilities	<u>24,286,944</u>	<u>19,434,646</u>	<u>4,852,298</u>
Invested in Capital Assets	33,924,717	31,537,145	2,387,572
Restricted	1,691,414	(4,177)	1,695,591
Unrestricted	<u>6,443,465</u>	<u>7,031,961</u>	<u>(588,496)</u>
Total Net Assets	<u>\$42,059,596</u>	<u>\$38,564,929</u>	<u>\$ 3,494,667</u>

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Change in Net Assets. The following table is a summary of the County's change in net assets for 2009.

Table 2
Kershaw County's Changes in Net Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Fees, Fines, and Charges for Services	\$ 4,026,436	\$1,131,259	\$ 5,157,695
Operating Grants	163,749	-	163,749
Capital Grants	1,759,837	2,200,800	3,960,637
General Revenues:			
Property Taxes	16,240,512	-	16,240,512
Miscellaneous	236,009	2,270	238,279
Unrestricted Investment Earnings	184,802	47,831	232,633
Intergovernmental Revenues	4,076,052	-	4,076,052
Loss on Disposition of Capital Assets	(425,009)	(24,633)	(449,642)
 Total Revenues	 <u>26,262,388</u>	 <u>3,357,527</u>	 <u>29,619,915</u>
Expenses:			
General Government	9,263,174	-	9,263,174
Public Safety	7,768,846	-	7,768,846
Sanitation	1,944,836	-	1,944,836
Highways and Streets	1,808,988	-	1,808,988
Other Objects	2,325,708	-	2,325,708
Culture and Recreation	1,308,675	-	1,308,675
Capital Outlay	490,626	-	490,626
Interest and Fiscal Charges	372,770	-	372,770
Sewer	<u>-</u>	<u>841,625</u>	<u>841,625</u>
 Total Expenses	 <u>25,283,623</u>	 <u>841,625</u>	 <u>26,125,248</u>
 Change in Net Assets	 978,765	 2,515,902	 3,494,667
 Net Assets, / Beginning of Year	 <u>31,541,481</u>	 <u>7,023,448</u>	 <u>38,564,929</u>
 Net Assets, / End of Year	 <u>\$32,520,246</u>	 <u>\$9,539,350</u>	 <u>\$42,059,596</u>

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Governmental Activities

Governmental activities increased the County's net assets by \$978,765. The increase in net assets is largely attributable to the increase in general revenues of \$346,913.

Expenses for governmental activities increased from the previous year by \$1,536,739. All expense categories increased from last fiscal year with the exception of highways and streets and interest.

Business-type Activities

Business-type activities had a net asset increase of \$2,515,902. This year's increase included capital contributions from capital grants of \$2,200,800. Charges to customers for monthly usage of the system did not cover operating expenses for the current fiscal year. The increase in net assets is the result of the capital contributions and tap fee revenue.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds. As of the end of the fiscal year, governmental funds had a combined fund balance of \$9,683,195, which is a decrease of \$128,266 over last year. Of this balance, the General fund makes up \$5,568,558 – roughly 58%. The General fund is the main operating fund for the County.

Special Revenue funds make up \$4,232,138 of the governmental fund balance. The special revenue funds are funds that are setup to account for specific revenues that are legally restricted to expenditure for a particular purpose. Funds such as library, fire service, and grants make up these funds.

The Debt Service fund makes up \$47,034 of the governmental fund balance. The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.

The Capital Projects fund makes up \$(164,535) of the governmental fund balance. The Capital Projects fund is used to record transactions for acquiring new buildings, equipment for new buildings and major equipment additions, including remodeling of, or additions to, existing facilities.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for the County sewer system at the end of the year were \$721,045. Other factors regarding this fund were addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget are due to transfers and budget amendments made by County Administration. These transfers and budget amendments were made for various reasons including line item costs overruns, salary increases, supplemental appropriations capital expenditures, etc. After considering these budget adjustments, actual revenues were \$866,668 under the budgeted amount. Actual expenses for the general fund were \$865,523 under budget, and other financing sources and uses were \$316,736 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, Kershaw County had invested \$50,917,110 (net of accumulated depreciation) in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and sewer lines. More detailed information about the County's capital assets is presented in Note 7 to the financial statements.

This year's major capital asset additions included:

- Construction expenses for a new wastewater treatment facility
- Construction expenses for a new sewer line in the East Camden portion of the County
- Improvements and additions to recreation facilities
- Infrastructure improvements to Kershaw County Airport
- Infrastructure improvements at two Kershaw County Industrial Parks
- Purchase of acreage for Kershaw Equine Center
- Purchase of equipment for Landfill
- Repaving of existing county roads

The County's capital assets are financed through a variety of sources including general obligation debt, lease purchases, revenue bonds, grants and property taxes.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

**Table 3
Kershaw County's Capital Assets**

	Governmental Activities <u>2009</u>	Business-type Activities <u>2009</u>	Total <u>2009</u>
Land	\$ 8,296,602	\$ 465,301	\$ 8,761,903
Construction in Progress	2,824,397	9,624,654	12,449,051
Buildings and Improvements	21,814,403	-	21,814,403
Office Equipment	644,714	-	644,714
Equipment	4,832,538	86,410	4,918,948
Vehicles	7,891,867	-	7,891,867
Infrastructure	18,677,507	8,803,279	27,480,786
Accumulated Depreciation	<u>(30,767,292)</u>	<u>(2,277,270)</u>	<u>(33,044,562)</u>
Total	<u>\$34,214,736</u>	<u>\$16,702,374</u>	<u>\$50,917,110</u>

Long-term Debt

At year-end, the County had \$17,597,723 in bonds, notes, capital leases and compensated absences outstanding - as shown in Table 4. More detailed information about the County's long-term liabilities is presented in Note 10 to the financial statements.

Of the \$16.9 million in debt, \$16,098,165 is backed by the full faith and credit of the County. The remainder of the debt represents bonds backed solely by specified revenue sources.

Bond Ratings

The County currently has an A2 bond rating from Moody's Investor Services and an A+ bond rating from Fitch.

Limitations on Debt

The State of South Carolina Code of Laws, as amended, limits the amount of general obligation debt the County can issue to no more than 8 percent of the assessed value of all taxable property within the County without the approval of a referendum presented to the citizens of Kershaw County. The current 8% debt limitation based on assessed value of \$193,139,550 for the County is \$15,451,164 of which the County has \$3,400,500 available.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2009
(Continued)**

**Table 4
Kershaw County's Outstanding Debt**

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
General Obligation Bonds	\$ 9,585,000	\$ 8,480,000	\$ -	\$7,618,165	\$ 9,585,000	\$16,098,165
Capital Leases	246,657	167,116	-	-	246,657	167,116
Revenue Bonds	132,037	97,352	757,342	629,760	889,379	727,112
Compensated Absences	593,803	601,837	207	3,493	594,010	605,330
Net OPEB Obligation	-	551,563	-	-	-	551,563
Post-closure Costs	<u>2,604,000</u>	<u>2,480,000</u>	<u>-</u>	<u>-</u>	<u>2,604,000</u>	<u>2,480,000</u>
Total	<u>\$13,161,497</u>	<u>\$12,377,868</u>	<u>\$757,549</u>	<u>\$8,251,418</u>	<u>\$13,919,046</u>	<u>\$20,629,286</u>

NEXT YEAR'S BUDGETS AND RATES

The 2009-2010 original budget for the Kershaw County General Fund is \$20,858,544, which includes a \$490,966 appropriation from available fund balance. A portion of the fund balance appropriation is for projects budgeted for in past years that have not been completed.

The budget for the Kershaw County sewer system for the 2009-2010 fiscal year is \$1,225,837. A new impact fee was implemented for this year's budget, but no net assets are being appropriated.

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 demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kershaw County Finance Office, 515 Walnut Street, Camden, South Carolina 29020.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2009

EXHIBIT A

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 6,163,308	\$ 931,911	\$ 7,095,219
Restricted Cash	544,868	119,867	664,735
Accounts Receivable	-	81,496	81,496
Taxes Receivable, Net	664,456	-	664,456
Other Receivables	1,907,081	4,959,599	6,866,680
Interfund Balances	4,604,313	(4,604,313)	-
Deferred Bond Issuance Costs, Net of Amortization	52,628	4,216	56,844
Capital Assets:			
Land	8,296,602	465,301	8,761,903
Construction in Progress	2,824,397	9,624,654	12,449,051
Building and Improvements	21,814,403	-	21,814,403
Office Equipment	644,714	-	644,714
Equipment	4,832,538	86,410	4,918,948
Vehicles	7,891,867	-	7,891,867
Infrastructure	18,677,507	8,803,279	27,480,786
Less: Accumulated Depreciation	<u>(30,767,292)</u>	<u>(2,277,270)</u>	<u>(33,044,562)</u>
Total Capital Assets, Net of Depreciation	<u>34,214,736</u>	<u>16,702,374</u>	<u>50,917,110</u>
Total Assets	<u><u>48,151,390</u></u>	<u><u>18,195,150</u></u>	<u><u>66,346,540</u></u>
Liabilities			
Accounts Payable and Accrued Liabilities	3,116,966	4,014	3,120,980
Accrued Interest Payable	96,310	2,978	99,288
Customer Deposits Payable	-	7,440	7,440
Deferred Revenue	-	389,950	389,950
Due to Other Governmental Units	40,000	-	40,000
Long-Term Liabilities:			
Due Within One Year:			
General Obligation Bonds	1,130,000	229,388	1,359,388
Revenue Bonds	12,298	134,468	146,766
Capital Leases	82,190	-	82,190
Compensated Absences	91,467	3,493	94,960
Due in More Than One Year:			
General Obligation Bonds	7,350,000	7,388,777	14,738,777
Revenue Bonds	85,054	495,292	580,346
Capital Leases	84,926	-	84,926
Compensated Absences	510,370	-	510,370
Net OPEB Obligation	551,563	-	551,563
Closure and Post Closure Costs	<u>2,480,000</u>	<u>-</u>	<u>2,480,000</u>
Total Liabilities	<u>15,631,144</u>	<u>8,655,800</u>	<u>24,286,944</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	25,470,268	8,454,449	33,924,717
Restricted for:			
Debt Service	1,271,522	363,856	1,635,378
Capital Projects	112,465	-	112,465
Unrestricted	<u>5,665,991</u>	<u>721,045</u>	<u>6,387,036</u>
Total Net Assets	<u><u>\$ 32,520,246</u></u>	<u><u>\$ 9,539,350</u></u>	<u><u>\$ 42,059,596</u></u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

EXHIBIT B

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities						
General Government	\$ 9,263,174	\$ 2,537,909	\$ 95,148	\$ (6,429,460)	\$ -	\$ (6,429,460)
Public Safety	7,768,846	186,564	68,601	(7,204,137)	-	(7,204,137)
Sanitation	1,944,836	4,610	-	(1,940,226)	-	(1,940,226)
Highways and Streets	1,808,988	1,004,286	-	(804,702)	-	(804,702)
Other Objects	2,325,708	-	-	(2,325,708)	-	(2,325,708)
Culture and Recreation	1,308,675	293,067	-	234,028	-	234,028
Capital Outlay	490,626	-	1,249,636	(490,626)	-	(490,626)
Interest and Fiscal Charges	372,770	-	-	(372,770)	-	(372,770)
Total Governmental Activities	25,283,623	4,026,436	1,759,837	(19,333,601)	-	(19,333,601)
Business-Type Activities:						
Sewer	841,625	1,131,259	2,200,800	-	2,490,434	2,490,434
Total Business-Type Activities	841,625	1,131,259	2,200,800	-	2,490,434	2,490,434
Total Primary Government	\$ 26,125,248	\$ 5,157,695	\$ 3,960,637	(19,333,601)	2,490,434	(16,843,167)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				11,490,559	-	11,490,559
Property Taxes, Levied for Debt Service				1,634,558	-	1,634,558
Public Service Taxes				3,115,395	-	3,115,395
Miscellaneous				236,009	2,270	238,279
Unrestricted Investment Earnings				184,802	47,831	232,633
Intergovernmental Revenues				4,076,052	-	4,076,052
Loss on Disposition of Capital Assets				(425,009)	(24,633)	(449,642)
Total General Revenues				20,312,366	25,468	20,337,834
Change in Net Assets				978,765	2,515,902	3,494,667
Net Assets, Beginning of Year				31,541,481	7,023,448	38,564,929
Net Assets, End of Year				\$ 32,520,246	\$ 9,539,350	\$ 42,059,596

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

EXHIBIT C

	General Fund	Road Maintenance	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 3,558,949	\$ 1,328,765	\$ 1,275,594	\$ 6,163,308
Restricted Cash	544,868	-	-	544,868
Receivables:				
Property Taxes, Net	447,104	-	217,352	664,456
Intergovernmental	983,700	-	128,787	1,112,487
Other	417,090	-	377,503	794,593
Due From Other Funds	7,978,692	-	4,697,487	12,676,179
Total Assets	\$ 13,930,403	\$ 1,328,765	\$ 6,696,723	\$ 21,955,891
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 2,990,609	\$ -	\$ 126,357	\$ 3,116,966
Compensated Absences	91,467	-	-	91,467
Due to Other Governmental Units	-	-	40,000	40,000
Due to Other Funds	4,525,494	1,328,765	2,217,607	8,071,866
Deferred Tax Revenue	358,802	-	196,031	554,833
Deferred Revenue	395,473	-	2,091	397,564
Total Liabilities	8,361,845	1,328,765	2,582,086	12,272,696
Fund Balances				
Reserved for:				
Sewer System Enterprise Fund	468,733	-	-	468,733
Victims Assistance	544,868	-	-	544,868
Debt Service	-	-	47,034	47,034
Capital Projects	277,000	-	(164,535)	112,465
Unreserved, Undesignated:				
General Fund	4,277,957	-	-	4,277,957
Special Revenue Funds	-	-	4,232,138	4,232,138
Total Fund Balances	5,568,558	-	4,114,637	9,683,195
Total Liabilities and Fund Balances	\$ 13,930,403	\$ 1,328,765	\$ 6,696,723	\$ 21,955,891

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
June 30, 2009

EXHIBIT D

Total Fund Balances - Governmental Funds (Exhibit C)	\$ 9,683,195
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property Taxes	554,833
Other	397,565
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$64,982,028, and the accumulated depreciation is \$30,767,292.	
	34,214,736
Bond issuance costs are capitalized when incurred and amortized over the life of the related bonds in the Statement of Net Assets; these costs are expenditures in the funds. Bond issuance costs totaled \$132,507 and accumulated amortization totaled \$79,879.	
	52,628
The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan is not reported as a liability in the governmental funds.	
	(551,563)
Accrued interest on bonds in governmental accounting was not due and payable in the current period and therefore has not been reported as a liability in the funds.	
	(96,310)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the fund. Long-term liabilities at year-end consist of:	
General Obligation Bonds	(7,350,000)
General Obligation Bonds- Current	(1,130,000)
Revenue Bonds	(85,054)
Revenue Bonds - Current	(12,298)
Capital Leases	(84,926)
Capital Leases - Current	(82,190)
Compensated Absences	(510,370)
Closure and Post Closure Costs	<u>(2,480,000)</u>
Total Net Assets - Governmental Activities (Exhibit A)	<u>\$ 32,520,246</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

EXHIBIT E

	General Fund	Road Maintenance	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 10,904,095	\$ -	\$ 5,058,236	\$ 15,962,331
Licenses, Permits and Fees	1,465,468	-	-	1,465,468
Intergovernmental Revenues	3,173,994	-	902,058	4,076,052
Charges for Services	607,547	1,004,286	-	1,611,833
Fines and Forfeits	611,239	114,395	408,303	1,133,937
Miscellaneous	<u>262,368</u>	<u>-</u>	<u>2,310,247</u>	<u>2,572,615</u>
Total Revenues	<u>17,024,711</u>	<u>1,118,681</u>	<u>8,678,844</u>	<u>26,822,236</u>
Expenditures				
Current:				
General Government	6,795,609	-	1,274,507	8,070,116
Public Safety	6,233,165	-	944,490	7,177,655
Highways and Streets	-	1,118,681	473	1,119,154
Culture and Recreation	-	-	1,180,957	1,180,957
Sanitation	1,880,755	-	-	1,880,755
Other Objects	2,137,908	-	187,801	2,325,709
Capital Outlay	273,998	-	4,407,624	4,681,622
Debt Service:				
Principal	34,685	-	1,184,541	1,219,226
Interest	<u>8,546</u>	<u>-</u>	<u>368,646</u>	<u>377,192</u>
Total Expenditures	<u>17,364,666</u>	<u>1,118,681</u>	<u>9,549,039</u>	<u>28,032,386</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(339,955)</u>	<u>-</u>	<u>(870,195)</u>	<u>(1,210,150)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	20,991	-	8,865	29,856
Insurance Proceeds	-	-	639,991	639,991
Transfer from General Fund	-	-	4,742	4,742
Transfer from Special Revenue Fund	5,825	-	770,495	776,320
Transfer from Capital Projects Fund	-	-	36,807	36,807
Transfer to General Fund	-	-	(5,825)	(5,825)
Transfer to Special Revenue Fund	-	-	(36,807)	(36,807)
Transfer to Capital Projects Fund	<u>(4,742)</u>	<u>-</u>	<u>(770,495)</u>	<u>(775,237)</u>
Total Other Financing Sources (Uses)	<u>22,074</u>	<u>-</u>	<u>647,773</u>	<u>669,847</u>
Net Change in Fund Balances	(317,881)	-	(222,422)	(540,303)
Fund Balances, Beginning of Year (Restated)	<u>5,886,439</u>	<u>-</u>	<u>4,337,059</u>	<u>10,223,498</u>
Fund Balances, End of Year	<u>\$ 5,568,558</u>	<u>\$ -</u>	<u>\$ 4,114,637</u>	<u>\$ 9,683,195</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

EXHIBIT F

Total Net Change In Fund Balances - Governmental Funds (Exhibit E) (540,303)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$4,190,996 exceeds depreciation expense of \$2,237,498 in the period. 1,953,498

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,219,226

The loss on disposal of assets has been included in the Statement of Activities, whereas in the governmental funds, proceeds from disposal of assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the carrying amount of the assets disposed. (1,094,855)

Bond issuance costs are expensed in the year they are incurred in governmental funds; but are amortized when recognized in the Statement of Activities. (13,500)

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Deferred tax revenue increase in the current year. 278,181

Deferred revenue decrease in the current year. (722,564)

Contributions of capital assets are not recorded in the governmental funds. However, in the Statement of Activities, the fair market value of donated capital assets are reported as capital contributions. 309,544

In the Statement of Activities, certain operating expenses -compensated absences- are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned exceeded the amounts used by this amount. (821)

In the Statement of Activities, an amount is expensed for closure and post-closure costs. Such costs are not accrued in the governmental funds. 124,000

The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan, is not reported as a liability in the governmental funds. This amount represents the net change in this liability during the current year. (551,563)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest decrease in the current year. 17,922

Change in Net Assets of Governmental Activities (Exhibit B) **\$ 978,765**

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2009

EXHIBIT G

Enterprise Fund
Sewer Fund

Assets

Current Assets:

Cash and Cash Equivalents	\$ 931,911
Accounts Receivable	81,496
Other Receivables	<u>4,959,599</u>
 Total Current Assets	 <u>5,973,006</u>

Non-Current Assets:

Restricted Cash	119,867
Capital Assets:	
Land	465,301
Construction in Progress	9,624,654
Sewer System Infrastructure	8,803,279
Equipment	86,410
Less: Accumulated Depreciation	(2,277,270)
Debt Issuance Costs:	
Deferred Costs, net of Accumulated Amortization of \$10,661	<u>4,216</u>
 Total Non-Current Assets	 <u>16,826,457</u>

Total Assets 22,799,463

Liabilities

Current Liabilities:

Accounts Payable and Accrued Liabilities	4,014
Accrued Interest Payable	2,978
Customer Deposits Payable	7,440
Deferred Revenue	389,950
Due to General Fund	4,604,313
Compensated Absences	3,493
Current Portion of General Obligation Bonds Payable	229,388
Current Portion of Revenue Bonds Payable	<u>134,468</u>
 Total Current Liabilities	 <u>5,376,044</u>

Long-term Liabilities:

General Obligation Bonds Payable	7,388,777
Revenue Bonds Payable	<u>495,292</u>
 Total Long-term Liabilities	 <u>7,884,069</u>

Total Liabilities 13,260,113

Net Assets

Invested in Capital Assets, Net of Related Debt	8,454,449
Restricted for Debt Service	363,856
Unrestricted	<u>721,045</u>
 Total Net Assets	 <u>\$ 9,539,350</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009

EXHIBIT H

	Enterprise Fund <u>Sewer Fund</u>
Operating Revenues	
Charges from Sewer Service	\$ 679,595
Impact Fees and Other Charges	451,664
Miscellaneous	<u>2,270</u>
Total Revenues	<u>1,133,529</u>
Operating Expenses	
Salaries and Benefits	121,488
Bad Debts	17,392
Contractual Services	88,462
Supplies	13,144
Repairs and Maintenance	191,811
Utilities and Telephone	112,389
Postage	4,881
Miscellaneous	23,673
Depreciation	188,404
Amortization	<u>992</u>
Total Operating Expenses	<u>762,636</u>
Operating Income	<u>370,893</u>
Non-Operating Income (Expense)	
Interest Income	47,831
Interest Expense	(78,989)
Loss on Disposal of Capital Assets	<u>(24,633)</u>
Total Non-Operating Income (Expense)	<u>(55,791)</u>
Income Before Contributions	315,102
Capital Contributions	<u>2,200,800</u>
Change in Net Assets	2,515,902
Net Assets, Beginning of Year	<u>7,023,448</u>
Net Assets, End of Year	<u>\$ 9,539,350</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009

EXHIBIT I

Enterprise Fund
Sewer Fund

Cash Flows from Operating Activities

Cash Received from Customers	\$ 1,035,860
Cash Paid to Suppliers	(451,752)
Cash Paid for Salaries and Employee Benefits	(134,739)
Customer Deposits Returned	<u>(10,568)</u>

Net Cash Provided by Operating Activities 438,801

Cash Flows From Non-Capital Financing Activities

Increase in Due to Other Funds	<u>1,424,474</u>
--------------------------------	------------------

Net Cash Provided by Non-Capital Financing Activities 1,424,474

Cash Flows from Capital and Related Financing Activities

Purchase of Capital Assets	(7,668,974)
Bond Proceeds	7,682,651
Capital Contributions	(2,812,392)
Principal Paid on Revenue Bond Maturities	(192,064)
Interest Paid	<u>(83,080)</u>

Net Cash Used by Capital and Related Financing Activities (3,073,859)

Cash Flows from Investing Activities

Interest on Savings	47,831
Increase in Restricted Assets	<u>2,729</u>

Net Cash Provided by Investing Activities 50,560

Net Decrease in Cash and Cash Equivalents (1,160,024)

Cash and Cash Equivalents, Beginning of Year 2,091,935

Cash and Cash Equivalents, End of Year \$ 931,911

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2009
(Continued)

EXHIBIT I

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

	Enterprise Fund <u>Sewer Fund</u>
Operating Income	\$ 370,893
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	188,404
Amortization	992
Decrease in Accounts Receivable	15,926
(Decrease) in Accounts Payable and Accrued Liabilities	(13,251)
(Decrease) in Deferred Revenues	(113,595)
(Decrease) in Customer Deposits	<u>(10,568)</u>
Net Cash Provided by Operating Activities	\$ <u>438,801</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET ASSETS
 June 30, 2009

EXHIBIT J

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash and Cash Equivalents	\$ 2,256,154	\$ 1,506,055
Taxes Receivable, Net	<u>1,885,843</u>	<u>-</u>
Total Assets	<u>4,141,997</u>	<u>1,506,055</u>
Liabilities		
Due to Other Taxing Units	2,030,362	-
Deferred Tax Revenue	1,607,284	-
Due to Solicitor	<u>504,351</u>	<u>-</u>
Total Liabilities	<u>4,141,997</u>	<u>-</u>
Net Assets		
Reserved	<u>-</u>	<u>1,506,055</u>
Total Net Assets	<u>\$ -</u>	<u>\$ 1,506,055</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
TRUST FUNDS

For the Fiscal Year Ended June 30, 2009

	<u>Detention Center</u>	<u>Land Sale</u>	<u>Magistrate</u>	<u>Clerk/ Family Court</u>	<u>Master in Equity</u>	<u>Total</u>
Additions						
Inmate Deposits	\$ 247,940	-	-	-	-	\$ 247,940
Land Sales	-	1,484,199	-	-	-	1,484,199
Bonds, Fines and Fees	-	-	1,322,811	6,136,538	-	7,459,349
Escrow Funds	-	-	-	-	922,410	922,410
Interest	-	-	172	7,991	43	8,206
Total Additions	<u>247,940</u>	<u>1,484,199</u>	<u>1,322,983</u>	<u>6,144,529</u>	<u>922,453</u>	<u>10,122,104</u>
Deductions						
Inmate Withdrawals	245,652	-	-	-	-	245,652
Disbursement of Sales Proceeds	-	1,495,231	-	-	-	1,495,231
Disbursement of Bonds, Fines and Fees	-	-	1,330,867	6,016,796	-	7,347,663
Disbursement of Escrow Funds	-	-	-	-	918,596	918,596
Bank Charges	-	-	-	109	-	109
Total Deductions	<u>245,652</u>	<u>1,495,231</u>	<u>1,330,867</u>	<u>6,016,905</u>	<u>918,596</u>	<u>10,007,251</u>
Change to Fiduciary Net Assets	2,288	(11,032)	(7,884)	127,624	3,857	114,853
Net Assets, Beginning of Year	<u>39,368</u>	<u>721,081</u>	<u>180,636</u>	<u>424,192</u>	<u>25,925</u>	<u>1,391,202</u>
Net Assets, End of Year	<u>\$ 41,656</u>	<u>\$ 710,049</u>	<u>\$ 172,752</u>	<u>\$ 551,816</u>	<u>\$ 29,782</u>	<u>\$ 1,506,055</u>

The notes to the financial statements are an integral part of these statements.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1. Summary of Significant Accounting Policies

Kershaw County, South Carolina, operates under the Council Administrator form of government as provided by the Home Rule Act of 1975. The County provides the following services: general administrative services, public safety, health and social services, planning and zoning, culture and recreation, unpaved road maintenance, sanitation, sewer (provided to West Wateree area only) and public improvements.

The financial statements of Kershaw County have been prepared in conformity with accounting principles generally accepted in the United States of America, (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Following are the more significant of the County's accounting policies.

A. Reporting Entity

In evaluating how to define Kershaw County, South Carolina, for financial reporting purposes, management has considered all potential component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is a fiscal dependency by the organization on the County

As a result of applying the criteria above, it has been determined that the County does not significantly influence the Kershaw County School District's operations. Therefore, it is not a component unit organization. As the Kershaw County School District has the authority to borrow funds, establish its budget, hire and terminate employees, enter into its own contracts and is responsible for funding its own deficits, it is construed that the Kershaw County School District is an independent entity and is reported as such.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2009
(Continued)**

B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the County, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Program revenues include charges paid by the recipients of goods or services offered by the program and grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Business-type activities are financed in whole or in part by fees charged to the external parties for goods or services.

The statement of activities presents a comparison between direct and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect cost.

Fund Financial Statements

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its asset, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the County are described below:

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

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Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund and Road Maintenance Fund are the County's major governmental funds.

General Fund

The *General Fund*, a major fund, is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. Operational expenditures for general government, public safety, sanitation, highways and streets and other departments of the County are paid through the General Fund.

Road Maintenance Fund

The *Road Maintenance Fund*, a major fund, is used to account for road maintenance fees and road maintenance expenditures.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund

The *Debt Service Fund* is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related cost of the County other than debt service payments made by enterprise funds.

Capital Projects Funds

Capital Projects Funds are used to account for resources for the acquisition or construction of specific capital projects or items.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the County's proprietary fund:

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Enterprise Fund

The *Enterprise Fund* is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. The Sewer Fund is the County's only enterprise fund and is used to account for the financial transactions related to the sewer service operations for the residents of the West Wateree area of the County. The Sewer Fund is a major fund.

Fiduciary Funds

Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds consist of Agency Funds and Trust Funds.

Agency Funds

Agency Funds are used to account for assets held by the County in a trustee capacity and do not involve measurement of results of operations. The County has four Agency Funds as follows:

School Fund. The School Fund accounts for the School District funds, which are collected and maintained by the Kershaw County Treasurer.

Solicitor's Fund. The Solicitor's Fund accounts for the operational activities of the regional Solicitor for Richland and Kershaw Counties.

Municipal Fund. The Municipal Fund accounts for the property taxes that the County collects for the City of Camden.

Fire District Fund. The Fire District Fund accounts for the property taxes that the County collects for the Mt Pisgah and Lugoff fire districts.

Trust Funds

Trust Funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. The County utilizes the following Trust Funds.

Detention Center. The Detention Center Trust Fund is used to account for the financial resources held by the County for inmates of the Kershaw County Detention Center.

Land Sale. The Land Sale Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public as a result of the Treasurer's tax sale activities.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

Magistrate. The Magistrate Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on Magistrate Court activities.

Clerk of Court/Family Court. The Clerk of Court/Family Court Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the court.

Master-in-Equity. The Master-in-Equity Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the Master-in-Equity.

C. Measurement Focus and Basis of Accounting

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the Proprietary Fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases and decreases in total net assets. The Statement of Cash Flows reflects how the County finances and meets the cash flow of its Proprietary Fund.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

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(Continued)

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used, 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Items such as property taxes are considered to be susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for the general obligation bond principal and interest which are reported when due.

All Proprietary Funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 needed.

D. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and amounts in demand deposits.

Investments

Investments are stated at fair value in accordance with *GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for Investment Pools*. Investment policies of the County must operate within existing state statutes of the State of South Carolina, which authorizes what the County may and may not invest in.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

E. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, franchise fees, state shared revenue and grants. Property taxes receivables are carried at cost less an allowance for uncollectible. Business-type activities report sewer as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise fees, state shared revenue and grants if they are both measurable and available. Nonexchange transactions collectible but not available, such as property taxes, are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Sewer accounts receivable compose the majority of Proprietary fund receivables. No Proprietary fund allowances for uncollectible accounts receivable are recorded since the County uses the direct write-off method.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include funds set aside for victims' assistance expenditures. Restricted assets in the Sewer Fund include funds set aside for the repayment of long-term debt.

G. Capital Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are reported at their estimated fair value at the date of donation. Estimated historical cost was used to value many of the assets acquired prior to July 1, 2002. The County maintains a capitalization policy of \$10,000 for its capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction is not capitalized for general capital assets.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Furniture and Equipment	3-20 years
Vehicles	3-5 years
Sewer System	10-50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

H. Short-term Interfund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial balance sheet. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets.

I. Compensated Absences

The County reports Compensated Absences in accordance with the provisions of *GASB Statement No. 16 Accounting for Compensated Absences*. The County's policies regarding vacation and sick leave are based on years of service, with a total of 12 to 18 days of vacation and 12 days of sick leave per year accumulated by each employee. However, employees are not paid for the accumulated sick leave upon retirement or other termination and therefore, no liability has been accrued in the financial statements for accumulated sick leave. Each employee may accumulate a maximum of 45 days for vacation.

The entire compensated absence liability for unused vacation is reported on the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. For the proprietary fund, the entire amount of compensated absences is reported as a fund liability.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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(Continued)

J. Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Grant revenues received before the eligibility requirements are met are recorded as deferred revenue. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the grant proceeds, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

On governmental fund financial statements, receivables that will not be collected within the available period (60 days after year-end) are reported as deferred revenue.

K. Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Amortization of bond issuance costs are included in interest expense. The long-term debt consists primarily of bonds payable, capital leases, accrued compensated absences and post-closure costs.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

L. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt. This consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets. This consists of net assets with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009
(Continued)

- c. Unrestricted net assets. All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are classified as unrestricted.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

M. Operating and Non-Operating Revenues and Expenses

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for the Proprietary fund include costs of sales, administrative expenses and depreciation of capital assets. All other expenses are reported as non-operating expenses.

N. Capital Contributions

Contributions of capital on government-wide and enterprise fund financial statements arise from outside contributions of capital assets, contributions from other funds or from grants or outside contributions of resources restricted to capital acquisition and construction.

O. Inter-Fund Transactions

Transactions between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009
(Continued)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the County's management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

Q. Statement of Cash Flows

For purposes of the statement of cash flows, the County's Proprietary Fund considers cash and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include certificates of deposits, treasury bills and money market funds.

Note 2. Deposits and Investments

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be recovered. The County does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$17,808,303 of the County's bank balance of \$30,434,890, which has a carrying value of \$11,522,163, was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank not in the County's name	<u>\$17,808,303</u>
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Investments

As of June 30, 2009, the County had the following investment and maturity, which is included in cash and cash equivalents:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity Less Than 1 Yr.</u>
Repurchase Agreement	Unrated	\$4,007,157	\$4,007,157

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Custodial Credit Risk for Investments- Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2009, none of the County's investments were exposed to custodial credit risk.

Concentration of Credit Risk for Investments – The County places no limit on the amount invested in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

Note 3. Property Taxes

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the County, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes on January 1 of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the County is taken from the records of the Kershaw County Auditor. Taxes are levied in October and are due and payable at that time. Property taxes are due by January 15, and penalties are imposed as follows: 3% prior to February 1, an additional 7% prior to March 15, and an additional 5% after March 15.

A summary of outstanding property taxes at June 30, 2009, is presented below.

	Governmental Fund Type			Fiduciary Fund Type	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Agency Fund	
Taxes					
Receivable	\$800,600	\$259,243	\$127,801	\$3,376,856	\$4,564,500
Less: Allowance for Doubtful Accounts	<u>(353,496)</u>	<u>(113,263)</u>	<u>(56,429)</u>	<u>(1,491,013)</u>	<u>(2,014,201)</u>
Net Taxes Receivable	<u>\$447,104</u>	<u>\$145,980</u>	<u>\$ 71,372</u>	<u>\$1,885,843</u>	<u>\$2,550,299</u>

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Note 4. Other Receivables

Other governmental receivables at June 30, 2009, consist of intergovernmental revenues, franchise fees, magistrate fees, DSS fees and landfill fees.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2009, the General Fund had \$395,473 of unearned revenue related to the school district and Special Revenue Funds had \$2,091 of unearned revenue related to grants.

Note 5. Inter-fund Receivables and Payables

Inter-fund balances at June 30, 2009, (all of which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund	\$ 7,978,692	\$ 4,525,494
Special Revenue Funds	4,136,745	2,392,045
Capital Projects Funds	560,742	1,154,327
Proprietary Fund	-	4,604,313
Totals	\$ 12,676,179	\$ 12,676,179

The General Fund receivable is a result of Special Revenue Funds owing the General Fund for expenses paid and claims filed but not yet received, Capital Project Funds owing the General Fund for capital expenditures paid, and the Proprietary Fund owing the General Fund for operating and capital expenses paid on behalf of the sewer system. The General Fund payable is a result of reimbursements received for Special Revenue Funds and Capital Projects Funds.

Note 6. Prior Period Adjustment

Deferred tax revenue was computed incorrectly in prior years. Deferred tax revenue should be computed using the net taxes receivable, after the allowance for doubtful accounts, instead of computing deferred tax revenue on the gross taxes receivable. The effects of these adjustments would have increased the changes in fund balances for the General Fund, Special Revenue Funds and the Debt Service Fund by \$265,194, \$101,718 and \$45,125, respectively. Beginning fund balances of these funds have been restated for these amounts.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Note 7. Capital Assets

Capital Asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
<i>Governmental Activities</i>					
Non-depreciable Assets:					
Land	\$ 7,764,772	\$ 531,830	\$ -	\$ -	\$ 8,296,602
Construction in Progress	1,953,856	2,066,971	-	(1,196,430)	2,824,397
Depreciable Assets:					
Buildings and Improvements	20,077,340	712,991	(154,358)	1,178,430	21,814,403
Office Equipment	1,557,728	-	(913,014)	-	644,714
Equipment	5,954,494	433,016	(1,572,972)	18,000	4,832,538
Vehicles	7,343,304	755,732	(207,169)	-	7,891,867
Infrastructure	<u>18,701,754</u>	<u>-</u>	<u>(24,247)</u>	<u>-</u>	<u>18,677,507</u>
Totals	<u>63,353,248</u>	<u>4,500,540</u>	<u>(2,871,760)</u>	<u>-</u>	<u>64,982,028</u>
Less: Accumulated Depreciation					
Buildings and Improvements	(4,809,162)	(673,072)	68,512	-	(5,413,722)
Office Equipment	(1,214,405)	(69,005)	732,784	-	(550,626)
Equipment	(3,858,138)	(348,813)	784,305	-	(3,422,646)
Vehicles	(5,973,232)	(317,240)	173,973	-	(6,116,499)
Infrastructure	<u>(14,451,762)</u>	<u>(829,368)</u>	<u>17,331</u>	<u>-</u>	<u>(15,263,799)</u>
Totals	<u>(30,306,699)</u>	<u>(2,237,498)</u>	<u>1,776,905</u>	<u>-</u>	<u>(30,767,292)</u>
Governmental Activities					
Capital Assets, Net	<u>\$33,046,549</u>	<u>\$ 2,263,042</u>	<u>\$(1,094,855)</u>	<u>\$ -</u>	<u>\$34,214,736</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 665,496
Highways and Streets	689,834
Public Safety	572,636
Sanitation	185,720
Culture and Recreation	<u>123,812</u>

Governmental Activities	
Total Depreciation Expense	<u>\$2,237,498</u>

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2009
(Continued)**

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
<i>Business-type Activities</i>					
Non-depreciable Assets:					
Land	\$ 465,301	\$ -	\$ -	\$ -	\$ 465,301
Construction in Progress	2,145,924	7,478,730	-	-	9,624,654
Depreciable Assets:					
Sewer System	8,609,116	200,827	(6,664)	-	8,803,279
Equipment	<u>90,330</u>	<u>24,191</u>	<u>(28,111)</u>	<u>-</u>	<u>86,410</u>
Totals	<u>11,310,671</u>	<u>7,703,748</u>	<u>(34,775)</u>	<u>-</u>	<u>18,979,644</u>
Less: Accumulated Depreciation					
Sewer System	(2,064,135)	(176,946)	3,581	-	(2,237,500)
Equipment	<u>(34,873)</u>	<u>(11,458)</u>	<u>6,561</u>	<u>-</u>	<u>(39,770)</u>
Totals	<u>(2,099,008)</u>	<u>(188,404)</u>	<u>10,142</u>	<u>-</u>	<u>(2,277,270)</u>
Business-type Activities					
Capital Assets, Net	<u>\$ 9,211,663</u>	<u>\$7,515,344</u>	<u>\$(24,633)</u>	<u>\$ -</u>	<u>\$16,702,374</u>

Depreciation expense charged to separately identifiable business-type activities is evident on the face of the fund financial statement, and therefore is not included here.

Note 8. Accounts Payable and Accrued Expenses

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2009, are as follows:

Accounts Payable	\$ 2,315,679
Accrued Payroll, Withholdings, Fringe and Benefits	<u>801,287</u>
Total Accounts Payable and Accrued Expenses— Governmental Activities	<u>\$ 3,116,966</u>

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Note 9. Debt Issuance Costs

Bond Issue Costs: In the process of issuing General Obligations Bonds in the amount of \$3,540,000 and \$4,500,000 during the fiscal years ended June 30, 2002, and June 30, 2006, the County incurred issue costs of \$71,138 and 61,369, respectively. These costs are being amortized on the straight-line method over the life of the bond issues. The amount of amortization of these costs for the current fiscal year is \$13,500. The unamortized bond issuance costs amount at June 30, 2009, was \$52,628.

In the process of issuing Revenue Bonds in the amount of \$1,700,000 as of June 30, 1998, the County incurred issue costs of \$14,877. The costs are being amortized on the straight-line method over the life of the bond issue. The amount of amortization of these costs for the current fiscal year is \$992. The unamortized bond issuance costs at June 30, 2009, were \$4,216.

Note 10. Long-term Debt

Governmental Activities:

As of June 30, 2009, the governmental long-term debt consisted of general obligation bonds, revenue bonds, capital leases, post-closure costs and compensated absences.

General Obligation Bonds

On October 1, 1998, the County issued Series 1998 A General Obligation Bonds totaling \$4,300,000 with annual principal due each April 1 and semi-annual interest payments due April 1 and October 1 of each year. The bonds range in maturity dates from 2001 to 2018. The interest rate ranges from 4.00% to 6.00%.

On November 1, 2001, the County issued Series 2001 General Obligation Bonds totaling \$1,250,000 with principal payments due each January 1 and semi-annual interest payments due January 1 and July 1 of each year. The bonds range in maturity dates from 2003 to 2009. The interest rate is 4.30%. This bond was paid off during the current fiscal year.

On June 26, 2002, the County issued Series 2002 General Obligation Bonds totaling \$3,540,000 with principal payments due each March 1 and semi-annual interest payments due March 1 and September 1 of each year. The bonds range in maturity dates from 2004 to 2014. The interest rate ranges from 3.00% to 4.25%.

On September 29, 2005, the County issued Series 2005 General Obligation Bonds totaling \$4,500,000 with principal payments due each March 1 and semi-annual interest payments due March 1 and September 1 of each year. The bonds range in maturity dates from 2006 to 2015. The interest rate ranges from 3.00% to 5.00%.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,130,000	\$ 312,988	\$ 1,442,988
2011	1,205,000	266,476	1,471,476
2012	1,260,000	224,026	1,484,026
2013	1,315,000	179,626	1,494,626
2014	1,390,000	132,795	1,522,795
2015-2018	<u>2,180,000</u>	<u>177,934</u>	<u>2,357,934</u>
Totals	<u>\$ 8,480,000</u>	<u>\$ 1,293,845</u>	<u>\$ 9,773,845</u>

Revenue Bonds Payable

On August 28, 1998, the County issued a Solid Waste System Revenue Bond totaling \$400,000 with principal and interest payments due each February 28 and August 31 of each year. The bonds range in maturity dates from 1999 to 2009. The interest rate is 4.60%.

On January 1, 2001, the County issued an Airport Revenue Bond totaling \$175,000 with principal and interest payments due monthly beginning February 1, 2001. The bonds range in maturity dates from 2001 to 2016. The interest rate is 6.284%.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	12,298	5,848	18,146
2011	13,104	5,042	18,146
2012	13,953	4,193	18,146
2013	14,880	3,266	18,146
2014	15,856	2,290	18,146
2015-2016	<u>27,261</u>	<u>1,464</u>	<u>28,725</u>
Totals	<u>\$ 97,352</u>	<u>\$ 22,103</u>	<u>\$ 119,455</u>

Capital Leases

The County has entered into several lease agreements as lessee for financing the General Fund acquisition of four fire trucks, one ambulance, E-911 equipment and 3 air handlers. These lease agreements qualify as capital leases for accounting purposes.

The assets acquired through capital leases are as follows:

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Vehicles	\$ 780,000
Emergency Equipment	<u>540,000</u>
Total	<u>\$1,320,000</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2010	87,755
2011	<u>87,755</u>
Total minimum lease payments	175,510
Less: amount representing interest	<u>(8,394)</u>
Present value of minimum lease payments	<u>\$ 167,116</u>

Business-type Activities:

On January 8, 2008, the County issued Series 2008A General Obligation Bonds totaling \$5,574,760 with quarterly principal and interest payments due each February 1, May 1, August 1, and November 1. The bonds range in maturity from 2010 to 2030. The interest rate is 3.50%.

On January 8, 2008, the County issued Series 2008B General Obligation Bonds totaling \$3,598,630 with quarterly principal and interest payments due each March 1, June 1, September 1, and December 1. The bonds range in maturity from 2009 to 2029. The interest rate is 3.25%.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 229,388	\$ 210,395	\$ 439,783
2011	336,136	298,025	634,161
2012	347,707	287,454	635,161
2013	359,675	274,485	634,160
2014	372,056	262,104	634,160
2015-2019	2,061,470	1,109,332	3,170,802
2020-2024	2,441,684	729,118	3,170,802
2025-2029	<u>1,470,049</u>	<u>192,047</u>	<u>1,662,096</u>
Totals	<u>\$ 7,618,165</u>	<u>\$ 3,362,960</u>	<u>\$10,981,125</u>

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

On September 10, 1998, the County issued a Sewer System Revenue Bond totaling \$1,700,000 with semi-annual payments of principal and interest due October 1 and April 1 of each year. The original bond ranges in maturity dates from 1999 to 2009. The interest rate is 4.48%. The bond was refinanced during the current fiscal year and ranges in maturity dates from 2009 to 2014. The new interest rate is 2.27%.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30,			
2010	134,468	13,536	148,004
2011	137,537	10,467	148,004
2012	140,697	7,307	148,004
2013	143,889	4,115	148,004
2014	<u>73,169</u>	<u>831</u>	<u>74,000</u>
Totals	<u>\$ 629,760</u>	<u>\$ 36,256</u>	<u>\$ 666,016</u>

Note 11. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2009.

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>	<u>One Year</u>
<i>Governmental Activities:</i>					
G.O. Bonds	\$ 9,585,000	\$ -	\$(1,105,000)	\$ 8,480,000	\$1,130,000
Capital Leases	246,657	-	(79,541)	167,116	82,190
Revenue Bonds	132,037	-	(34,685)	97,352	12,298
Compensated Absences	593,803	601,837	(593,803)	601,837	91,467
Net OPEB Obligation	-	551,563	-	551,563	-
Post-closure Costs	<u>2,604,000</u>	<u>-</u>	<u>(124,000)</u>	<u>2,480,000</u>	<u>-</u>
Total	<u>\$13,161,497</u>	<u>\$1,153,400</u>	<u>\$(1,937,029)</u>	<u>\$12,377,868</u>	<u>\$1,315,955</u>
<i>Business-type Activities:</i>					
Revenue Bonds	\$ 757,342	\$ -	\$ (127,582)	\$ 629,760	\$ 134,468
G.O. Bonds	-	7,682,651	(64,486)	7,618,165	229,388
Compensated Absences	<u>207</u>	<u>3,493</u>	<u>(207)</u>	<u>3,493</u>	<u>3,493</u>
Total	<u>\$ 757,549</u>	<u>\$7,686,144</u>	<u>\$(192,275)</u>	<u>\$ 8,251,418</u>	<u>\$ 367,349</u>

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2009
(Continued)**

Note 12. Restricted Cash

Certain resources, which have been set aside for victim assistance expenditures and the repayment of revenue bonds, are classified as restricted cash on the General Fund's and Proprietary Fund's balance sheet because their use is limited. The amount held by the General Fund for victim assistance amounted to \$544,868 as of June 30, 2009. The ordinance authorizing the Sewer System revenue bonds requires that the County establish a sinking fund (Revenue Bond Sinking and Reserve Fund) for the payment of principal and interest on all the revenue bonds. Restricted cash for the sinking fund at June 30, 2009, amounted to \$119,867 and was sufficient to satisfy such bond ordinance requirements.

Note 13. Debt Limitations

The amount of legal debt margin as of June 30, 2009, is computed as follows:

Total Assessed Value	<u>\$193,139,550</u>
Debt Limit 8% of Assessed Value	\$ 15,451,164
Amount of Debt Applicable to Debt Limit	<u>(12,050,664)</u>
Legal Debt Margin	<u>\$ 3,400,500</u>

Note 14. Employee Retirement Plans

Plan Description - County employees, except for police department civil service personnel, participate in the South Carolina Retirement System (SCRS), a cost-sharing multi-employer defined benefit pension plan. County police officers participate in the South Carolina Police Officers Retirement Plan (SCPORS), a cost-sharing multi-employer defined benefit pension plan. Total employee salaries for the County for the period ended June 30, 2009, were \$11,590,590, of which \$7,310,690 and \$3,862,135 were for employees covered by the SCRS and the SCPORS, respectively.

Both the SCRS and the SCPORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Only the South Carolina State Budget and Control Board has the authority to establish and amend benefits.

Both employees and the County employers are required to contribute to the Plan under the authority of Title 9 of the SC Code of Laws. The County's contributions are actuarially determined, but are communicated to and paid by the County as a percentage of the employees' annual earnings.

The County's contributions to the SCRS for employer and employee portions expressed as a dollar amount and as a percentage of covered payroll for 2009, were \$687,575 and 9.24% and \$475,195 and 6.5%, respectively. The County's contributions to the SCPORS for the

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

employer and employee portions were \$411,317 and 10.65% and \$251,040 and 6.5% respectively.

The required contributions and percentages of amounts contributed for the past six years were as follows:

<u>Year Ending June 30</u>	<u>SCRS Contributions</u>		<u>SCPORS Contributions</u>	
	<u>Required</u>	<u>% Contributed</u>	<u>Required</u>	<u>% Contributed</u>
2009	\$1,162,770	100%	\$ 662,357	100%
2008	1,068,930	100%	562,968	100%
2007	911,420	100%	572,153	100%
2006	819,626	100%	533,690	100%
2005	706,511	100%	472,234	100%
2004	676,959	100%	432,669	100%

The County's contributions to the SCRS provide a group life insurance benefit for their participants expressed as a dollar amount and as a percentage of covered payroll were \$11,162 and .0015% of annual earnings. The contributions to the SCPORS to provide a group life insurance benefit and an accidental death benefit for their participants totaled \$15,449 and .004%.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and SCPORS is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, South Carolina, 29211-1960.

Note 15. Post-Employment Health Care Benefits

Plan Description: The County sponsors a single-employer medical insurance subsidy benefit plan (the "OPEB Plan") that provides payments on behalf of eligible retirees to be used toward the purchase of subsidization or medical insurance provided under the County's group plan. Employees become eligible when the employee qualifies for the SCRS or PORS and has ten (10) or more years of service regardless of age, if hired prior to July 1, 2005. For employees hired between July 1, 2005, and June 30, 2009, the last five years of earned service must have been earned with Kershaw County for the County to provide post-retirement healthcare insurance premium assistance in accordance with the guidelines established in the annual budget ordinance. Information regarding SCRS and PORS eligibility may be found in the Comprehensive Annual Financial Report as identified in Note 13. The OPEB Plan may be changed by County Council at its discretion; the benefit and contribution requirements of the County and plan members are established and amended by County Council. These contributions are neither guaranteed nor mandatory. County Council has retained the right to unilaterally modify its payments toward retiree health care benefits at any time.

As of July 1, 2008, the measurement date, there were 298 covered participants; fifty (50) members are retirees receiving benefits and 248 are active participants and dependents.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Funding Policy: Any employee who retires and meets the requirements for retirement in the SCRS is eligible to participate in the Kershaw County Retiree Benefit Program. The SCRS program allows retirement at the earlier of 28 years of service, age 55 with 25 years of service, or age 60 with 5 years of service. Retirees participate in the same health care plan as the active employees (with the additional option of a Medicare Supplement Plan for post-65 retirees). The employees currently have four pre-65 health care plans with various benefits and contribution levels. Any participant who retires with less than 10 years of service pays the total premium until age 65. If a participant retires with 10-25 years of service, Kershaw County will pay half of the premium cost while the employee pays the remaining balance. If a participant retires at age 55 or older and has 25+ years of service, the County contributes the same amount that active members receive (until age 65). Retirees over the age of 65 with 25+ years of service will receive a contribution from the County that is equal to half of the premium cost.

The County's annual other postemployment benefits ("OPEB") cost (expense) 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 30 years. The current ARC rate is based on a level percent of payroll increasing annually at 2.5%.

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB 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.

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

The following table summarizes the key actuarial assumptions and cost method:

Actuarial Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percent of Payroll, Open
Amortization Period:	30 years

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Actuarial Assumptions

Investment Rate of Return:	4.0% Annual Return Net of Both Administrative and Investment Related Expenses
Health Cost Trend:	10% to 5% in 1.0% Annual Steps (includes an inflation rate of 2.5%)
Payroll Growth:	2.5% Per Year
Coverage Elections:	70% of Eligible Retirees will Elect Coverage
Active Participant Marriage Assumption:	40% of All Active Employees are Assumed to be Married with Female Spouses Assumed to be 3 Years Younger
Mortality After Retirement Table:	UP-94 Mortality Table
Implicit Subsidy:	Total Cost of Coverage for Pre-65 Retirees is 50% Higher Than the Average Premium Rate to Account for Implicitly Subsidized Costs

Since 2009 is the implementation year of GASB No. 45, the liability valuation method used initially is market value. The actuarial consultants intend to use a smoothing method over a 5 year period with the assumed investment rate of return. The OPEB Plan's UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was 30 years.

Annual OPEB Costs and Rollforward of Net OPEB Obligation: For 2009, the County's implementation year for GASB No. 45, the annual OPEB cost (expense) and the progression of the net OPEB obligation in the OPEB Plan for the most recent plan year (fiscal year 2009) was as follows:

1. Net OPEB Obligation, Beginning of the Plan Year	\$ <u> -</u>
2. One Year's Interest on the Net OPEB Obligation	-
3. Annual Required Contribution (Normal Cost Plus Any Amortization Payments)	719,548
4. Adjustment to Annual Required Contribution	<u> -</u>
5. Annual OPEB Cost: (2)+(3)+(4)	719,548
6. Contributions Made for the Plan Year	<u>167,985</u>
7. Increase in Net OPEB Obligation (5)-(6)	<u>551,563</u>
8. Net OPEB Obligation, End of the Plan Year (1)+(7)	\$ <u>551,563</u>

Schedule of Employer Contributions: Contributions include \$167,985 made by the County through payment of covered participants' explicit and implicit subsidized benefits. The County did not prefund benefits during 2009.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the County has elected to implement prospectively. Therefore, prior year comparative data in the schedule of employer contributions is not available. Annual OPEB cost, annual OPEB cost contributed, percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation for 2009 were as follows:

Schedule of Employer Contributions

Actuarial Valuation Date	Annual OPEB Cost	Annual OPEB Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	Applicable to Fiscal Year
July 1, 2008	\$ 719,548	\$ 167,985	23.3%	\$ 551,563	June 30, 2009

Schedule of Funding Progress: Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the County has elected to implement prospectively. Therefore, prior year comparative data in the schedule of funding progress is not available. This schedule will provide trend information about whether the actuarial values of OPEB Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress for the OPEB Plan is as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Aggregate* (b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2008	\$ -	\$7,085,432	\$7,085,432	\$16,444,134	43%

Note 16. Commitments and Contingencies

The County receives state and federal grants for specific purposes that are subject to review and audit by state and federal agencies. Such audits could result in a request for reimbursement by the state and federal agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

In the normal course of business, the County enters into agreements with contractors for construction projects. As of June 30, 2009, open contracts and project budgets for construction totaled \$16,461,660, of which \$12,449,050 has been recorded as construction in progress.

Note 17. Insurance and Risk Management

The County is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees and natural disasters. The County maintains insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured loss to the County.

**KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2009

(Continued)

Settled claims have not exceeded this coverage in any of the past three years. There are no significant reductions in insurance coverage in the prior year.

The County paid insurance premiums to the South Carolina Counties Property and Liability Trust totaling \$405,760 to cover risks that may occur in normal operations. These risks include loss of real property and contents, motor vehicles, errors and omissions, general liability and theft and dishonesty.

The County paid insurance premiums to the South Carolina Counties Workers' Compensation Trust totaling \$396,060 for workers' compensation coverage.

Note 18. Closure and Post-closure Care Costs

State and federal environmental laws and regulations require that Kershaw County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the Park Road and Lugoff-Elgin landfills for thirty (30) years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the estimated closure and post-closure care costs. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The Park Road landfill was officially closed in 2001 and the remaining closure period is now twenty-three (23) years. The Lugoff-Elgin landfill was closed in 1997 and the remaining closure period is now nineteen (19) years. The estimated liability for closure and post-closure care costs is \$2,480,000 as of June 30, 2009, which is based on total post closure-costs for the Park Road and Lugoff-Elgin landfills of \$1,364,000 and \$1,116,000, respectively. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in laws and regulations. These estimates also assume that there is no groundwater contamination, methane gas problems, major settling, or other similar problems discovered at these sites. Should any of these problems be found, costs could escalate very rapidly. There are no financial assurance requirements or restricted assets related to the estimated liability.

The current year reduction to closure and post-closure costs was \$124,000.

Note 19. Deferred Compensation Plans

Several optional deferred compensation plans are available to County employees through the State of South Carolina. Certain employees of the County have elected to participate. The multiple employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b) are administered by third parties and are included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the Section 401(k) and 403(b) plans is placed in trust for the contributing employee.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2009

(Continued)

Employees may also withdraw the current value of their contributions prior to termination if they meet requirements specified by the applicable plan. The County has no liability for losses under the plans.

Note 20. Intergovernmental Revenues

The County receives funds from both the State of South Carolina and the federal government for various grants and projects. The majority of these funds are accounted for in the Special Revenue Funds with the major exception being grants from the federal government accounted for in the Enterprise Fund.

Note 21. Inter-fund Transfers

Transfers from (to) other funds for the year ended June 30, 2009, consist of the following:

General Fund

Transfer from Special Revenue Funds	\$ (5,825)
Transfer to Capital Projects Fund	<u>4,742</u>

Net Total Transfer From	<u>(1,083)</u>
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Special Revenue Funds

Transfer from Capital Projects Fund	(36,807)
Transfer to General Fund	5,825
Transfer to Capital Projects Fund	<u>770,495</u>

Net Total Transfer To	<u>739,513</u>
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Capital Projects Fund

Transfer from General Fund	(4,742)
Transfer from Special Revenue Funds	(770,495)
Transfer to Special Revenue Funds	<u>36,807</u>

Net Total Transfer From	<u>\$(738,430)</u>
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The transfer into the General Fund from Special Revenue Funds was to cover federal program costs. The transfer to the Capital Projects Fund was to cover County match of construction projects. The transfer into Special Revenue Funds was to cover grant expenditures.

Note 22. Operating Lease Commitment

The County has an operating lease on the building used for operations for the Department of Social Services. The lease term is for fifteen years starting July 1, 1999. Rent is payable the first day of each month in the amount of \$8,589. Rental expense amounted to \$103,062 for the fiscal ended June 30, 2009.

SUPPLEMENTAL INFORMATION

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes			
Property Taxes - Net	\$ 8,563,923	\$ 8,249,515	\$ (314,408)
Vehicle Taxes - Net	1,585,692	1,471,479	(114,213)
Delinquent Taxes - Net	350,000	451,337	101,337
Fee In Lieu of Taxes	695,633	684,746	(10,887)
Inventory Replacement	<u>50,000</u>	<u>47,018</u>	<u>(2,982)</u>
Total Taxes	<u>11,245,248</u>	<u>10,904,095</u>	<u>(341,153)</u>
Licenses, Fees and Permits			
Planning and Zoning	319,673	253,096	(66,577)
Assessor	16,000	10,560	(5,440)
Tax Collector	270,000	234,051	(35,949)
Clerk of Court	272,494	330,089	57,595
Register of Deeds	522,624	318,237	(204,387)
Probate Court	115,000	99,921	(15,079)
Master in Equity	70,000	85,579	15,579
Sheriff	11,000	17,124	6,124
Health Department	15,240	18,168	2,928
Cable Franchise Fees	<u>100,000</u>	<u>98,643</u>	<u>(1,357)</u>
Total Licenses, Fees and Permits	<u>1,712,031</u>	<u>1,465,468</u>	<u>(246,563)</u>
Intergovernmental Revenue			
Aid to Subdivisions	3,000,000	2,893,605	(106,395)
DSS Rent Reimbursement	75,000	56,845	(18,155)
Veterans Service Offices	7,000	6,704	(296)
Election Commission	12,300	87,632	75,332
Tire Disposal Fee	23,000	20,628	(2,372)
Accommodations Tax	30,000	29,016	(984)
Other	191,500	45,940	(145,560)
Salary Supplements	<u>307,900</u>	<u>33,624</u>	<u>(274,276)</u>
Total Intergovernmental Revenue	<u>3,646,700</u>	<u>3,173,994</u>	<u>(472,706)</u>
Charges for Services			
Other	<u>178,800</u>	<u>607,547</u>	<u>428,747</u>
Total Charges for Services	<u>178,800</u>	<u>607,547</u>	<u>428,747</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fines and Forfeitures			
Magistrate	\$ 597,400	\$ 480,037	\$ (117,363)
Airport	40,000	56,727	16,727
Rental and Leases	26,200	19,450	(6,750)
Litter Pickup	10,000	4,610	(5,390)
Interest Earned	<u>135,000</u>	<u>50,415</u>	<u>(84,585)</u>
Total Fines and Forfeitures	<u>808,600</u>	<u>611,239</u>	<u>(197,361)</u>
Miscellaneous			
Landfill	<u>300,000</u>	<u>262,368</u>	<u>(37,632)</u>
Total Miscellaneous	<u>300,000</u>	<u>262,368</u>	<u>(37,632)</u>
Total Revenues	<u>17,891,379</u>	<u>16,936,409</u>	<u>(954,970)</u>
Expenditures			
General Government			
County Council			
Operating	6,325	10,754	(4,429)
Personnel	<u>163,990</u>	<u>159,587</u>	<u>4,403</u>
Total County Council	<u>170,315</u>	<u>170,341</u>	<u>(26)</u>
County Administrator			
Operating	28,200	31,494	(3,294)
Personnel	<u>617,792</u>	<u>597,552</u>	<u>20,240</u>
Total County Administrator	<u>645,992</u>	<u>629,046</u>	<u>16,946</u>
County Attorney			
Operating	70,000	69,203	797
Personnel	<u>63,457</u>	<u>79,234</u>	<u>(15,777)</u>
Total County Attorney	<u>133,457</u>	<u>148,437</u>	<u>(14,980)</u>
Information Technology			
Operating	41,700	22,205	19,495
Personnel	<u>44,587</u>	<u>46,463</u>	<u>(1,876)</u>
Total Information Technology	<u>86,287</u>	<u>68,668</u>	<u>17,619</u>
Economic Development			
Operating	156,100	135,033	21,067
Personnel	<u>155,370</u>	<u>162,527</u>	<u>(7,157)</u>
Total Economic Development	<u>311,470</u>	<u>297,560</u>	<u>13,910</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Building Maintenance			
Operating	\$ 427,673	\$ 455,661	\$ (27,988)
Personnel	<u>189,742</u>	<u>148,656</u>	<u>41,086</u>
Total Building Maintenance	<u>617,415</u>	<u>604,317</u>	<u>13,098</u>
Planning and Zoning			
Operating	37,016	24,447	12,569
Personnel	<u>335,139</u>	<u>348,223</u>	<u>(13,084)</u>
Total Planning and Zoning	<u>372,155</u>	<u>372,670</u>	<u>(515)</u>
County Engineer			
Operating	36,000	40,332	(4,332)
Personnel	<u>79,599</u>	<u>82,302</u>	<u>(2,703)</u>
Total County Engineer	<u>115,599</u>	<u>122,634</u>	<u>(7,035)</u>
Assessor			
Operating	79,181	65,348	13,833
Personnel	<u>513,321</u>	<u>492,534</u>	<u>20,787</u>
Total Assessor	<u>592,502</u>	<u>557,882</u>	<u>34,620</u>
Auditor			
Operating	102,390	101,840	550
Personnel	<u>164,447</u>	<u>166,724</u>	<u>(2,277)</u>
Total Auditor	<u>266,837</u>	<u>268,564</u>	<u>(1,727)</u>
Delinquent Tax Collector			
Operating	176,183	192,167	(15,984)
Personnel	<u>105,744</u>	<u>67,333</u>	<u>38,411</u>
Total Delinquent Tax Collector	<u>281,927</u>	<u>259,500</u>	<u>22,427</u>
Treasurer			
Operating	108,440	126,507	(18,067)
Personnel	<u>169,228</u>	<u>204,244</u>	<u>(35,016)</u>
Total Treasurer	<u>277,668</u>	<u>330,751</u>	<u>(53,083)</u>
Clerk of Court			
Operating	17,402	19,381	(1,979)
Personnel	<u>233,344</u>	<u>236,077</u>	<u>(2,733)</u>
Total Clerk of Court	<u>250,746</u>	<u>255,458</u>	<u>(4,712)</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Register of Deeds			
Operating	\$ 75,150	\$ 69,743	\$ 5,407
Personnel	<u>153,142</u>	<u>145,649</u>	<u>7,493</u>
Total Register of Deeds	<u>228,292</u>	<u>215,392</u>	<u>12,900</u>
Family Court			
Operating	50,451	46,998	3,453
Personnel	<u>198,606</u>	<u>117,984</u>	<u>80,622</u>
Total Family Court	<u>249,057</u>	<u>164,982</u>	<u>84,075</u>
Summary Court			
Operating	36,130	36,206	(76)
Personnel	<u>631,499</u>	<u>676,099</u>	<u>(44,600)</u>
Total Summary Court	<u>667,629</u>	<u>712,305</u>	<u>(44,676)</u>
Probate Court			
Operating	21,100	15,901	5,199
Personnel	<u>210,061</u>	<u>222,997</u>	<u>(12,936)</u>
Total Probate Court	<u>231,161</u>	<u>238,898</u>	<u>(7,737)</u>
Master-in-Equity			
Personnel	<u>45,059</u>	<u>46,803</u>	<u>(1,744)</u>
Coroner			
Operating	65,603	55,082	10,521
Personnel	<u>49,843</u>	<u>52,451</u>	<u>(2,608)</u>
Total Coroner	<u>115,446</u>	<u>107,533</u>	<u>7,913</u>
Special Services			
Operating	18,249	10,716	7,533
Personnel	<u>148,420</u>	<u>155,324</u>	<u>(6,904)</u>
Total Special Services	<u>166,669</u>	<u>166,040</u>	<u>629</u>
Veterans Office			
Operating	3,150	3,298	(148)
Personnel	<u>96,542</u>	<u>99,738</u>	<u>(3,196)</u>
Total Veterans Office	<u>99,692</u>	<u>103,036</u>	<u>(3,344)</u>
Voter Registration			
Operating	39,350	35,083	4,267
Personnel	<u>87,110</u>	<u>81,659</u>	<u>5,451</u>
Total Voter Registration	<u>126,460</u>	<u>116,742</u>	<u>9,718</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Social Services			
Operating	\$ 126,190	\$ 122,695	\$ 3,495
Health Department			
Operating	<u>20,554</u>	<u>13,934</u>	<u>6,620</u>
Airport			
Operating	48,600	55,584	(6,984)
Personnel	<u>38,833</u>	<u>26,912</u>	<u>11,921</u>
Total Airport	<u>87,433</u>	<u>82,496</u>	<u>4,937</u>
Legislative Delegation			
Personnel	<u>13,500</u>	<u>13,500</u>	<u>-</u>
General Operating			
Fleet Maintenance	<u>480,000</u>	<u>605,425</u>	<u>(125,425)</u>
Total General Government	<u>6,779,512</u>	<u>6,795,609</u>	<u>(16,097)</u>
Public Safety			
911 Communications			
Operating	21,110	19,971	1,139
Personnel	<u>757,224</u>	<u>763,626</u>	<u>(6,402)</u>
Total 911 Communications	<u>778,334</u>	<u>783,597</u>	<u>(5,263)</u>
Law Enforcement			
Operating	532,597	336,370	196,227
Personnel	<u>3,007,642</u>	<u>3,175,119</u>	<u>(167,477)</u>
Total Law Enforcement	<u>3,540,239</u>	<u>3,511,489</u>	<u>28,750</u>
Detention Center			
Operating	633,020	564,613	68,407
Personnel	<u>1,069,432</u>	<u>1,093,381</u>	<u>(23,949)</u>
Total Detention Center	<u>1,702,452</u>	<u>1,657,994</u>	<u>44,458</u>
Animal Control			
Operating	149,497	141,034	8,463
Personnel	<u>145,331</u>	<u>139,051</u>	<u>6,280</u>
Total Animal Control	<u>294,828</u>	<u>280,085</u>	<u>14,743</u>
Total Public Safety	<u>6,315,853</u>	<u>6,233,165</u>	<u>82,688</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
Sanitation			
Operating	\$ 1,499,738	\$ 1,211,081	\$ 288,657
Personnel	<u>644,533</u>	<u>669,674</u>	<u>(25,141)</u>
Total Sanitation	<u>2,144,271</u>	<u>1,880,755</u>	<u>263,516</u>
Other Objects			
Contribution Agencies			
Bethune Rescue	7,000	7,000	-
Camden Rescue	1,500	1,500	-
Central Carolina	52,350	52,350	-
Sistercare	1,000	1,000	-
Clemson Extension	2,000	2,000	-
Fine Arts Center	4,500	4,500	-
Camden First Community Development	3,000	3,000	-
Historic Camden	3,750	3,750	-
Mt Pisgah Rescue	7,000	7,000	-
Clean Community Commission	4,000	4,000	-
Wateree RTA	4,125	4,125	-
Soil Conservation	7,500	7,500	-
Rent	3,780	3,780	-
Board of Disabilities	2,500	2,500	-
Community Medical Clinic	11,250	11,250	-
Alpha Center	3,000	7,000	(4,000)
KC Farmers Market	1,500	1,500	-
LEPC	200	(100)	300
Chamber of Commerce	10,000	10,000	-
Human Relations	<u>1,350</u>	<u>1,350</u>	<u>-</u>
Total Contribution Agencies	<u>131,305</u>	<u>135,005</u>	<u>(3,700)</u>
Departments			
County Council	12,796	13,284	(488)
County Administrator	8,000	5,644	2,356
Information Technology	2,600	130	2,470
Economic Development	4,000	4,097	(97)
Planning and Zoning	13,785	7,627	6,158
County Engineer	2,000	750	1,250
Assessor	28,850	6,392	22,458
Auditor	4,600	3,336	1,264
Tax Collector	1,050	812	238
Treasurer	500	125	375
Court of General Sessions	136,272	135,815	457
Clerk of Court	59,000	34,411	24,589
Register of Deeds	1,600	869	731
Family Court	2,000	2,135	(135)
Summary Court	4,800	2,406	2,394
Probate Court	5,800	5,448	352
Master-in-Equity	<u>11,730</u>	<u>11,730</u>	<u>-</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Coroner	\$ 1,500	\$ 530	\$ 970
Special Services	530	-	530
Veterans Office	3,800	3,371	429
Voter Registration	38,460	48,156	(9,696)
Airport	23,000	-	23,000
Emergency Preparedness	9,752	3,636	6,116
911 Communications	5,650	6,262	(612)
Law Enforcement	29,200	26,531	2,669
Detention Center	6,300	3,950	2,350
Animal Control	1,000	113	887
Sanitation	<u>2,000</u>	<u>375</u>	<u>1,625</u>
Total Departments	<u>420,575</u>	<u>327,935</u>	<u>92,640</u>
Indigent Care			
Operating	<u>175,914</u>	<u>175,914</u>	<u>-</u>
General Operating			
Santee Lynches	36,772	59,317	(22,545)
Audit Fees	34,000	28,205	5,795
Salary Adjustment	193,199	-	193,199
Workers Compensation	358,473	396,060	(37,587)
Unemployment Insurance	30,000	17,733	12,267
Other Operations	579,933	390,818	189,115
Employee Related Expenses	64,020	57,844	6,176
Retiree Insurance	190,000	143,316	46,684
Insurance	<u>401,907</u>	<u>405,760</u>	<u>(3,853)</u>
Total General Operating	<u>1,888,304</u>	<u>1,499,053</u>	<u>389,251</u>
Total Other Objects	<u>2,616,098</u>	<u>2,137,907</u>	<u>478,191</u>
Capital Outlay			
Economic Development	40,000	55,796	(15,796)
Law Enforcement	-	1,723	(1,723)
General Operating	<u>300,000</u>	<u>216,479</u>	<u>83,521</u>
Total Capital Outlay	<u>340,000</u>	<u>273,998</u>	<u>66,002</u>
Debt Service			
Principal	34,685	34,685	-
Interest	<u>8,547</u>	<u>8,546</u>	<u>1</u>
Total Debt Service	<u>43,232</u>	<u>43,231</u>	<u>1</u>
Total Expenditures	<u>18,238,966</u>	<u>17,364,665</u>	<u>874,301</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2009
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(347,587)</u>	\$ <u>(339,954)</u>	\$ <u>7,633</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	10,000	20,991	10,991
Operating Transfers In	1,732,300	22,920	(1,709,380)
Operating Transfers Out	<u>(1,394,713)</u>	<u>(21,838)</u>	<u>1,372,875</u>
Total Other Financing Sources (Uses)	<u>347,587</u>	<u>22,073</u>	<u>(325,514)</u>
Net Change in Fund Balance	<u>\$ -</u>	(317,881)	<u>\$ (317,881)</u>
Fund Balance, Beginning of Year (Restated)		<u>5,886,439</u>	
Fund Balance, End of Year		<u>\$ 5,568,558</u>	

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		(Negative)
Revenues				
Taxes	\$ 11,245,248	\$ 11,245,248	\$ 10,904,095	\$ (341,153)
Licenses, Fees and Permits	1,712,031	1,712,031	1,465,468	(246,563)
Intergovernmental	3,646,700	3,646,700	3,173,994	(472,706)
Charges for Services	178,800	178,800	607,547	428,747
Fines and Forfeitures	808,600	808,600	611,239	(197,361)
Miscellaneous	300,000	300,000	262,368	(37,632)
 Total Revenues	 17,891,379	 17,891,379	 17,024,711	 (866,668)
Expenditures				
Current:				
General Government	6,779,512	6,889,557	6,795,609	93,948
Public Safety	6,315,853	6,384,644	6,233,165	151,479
Sanitation	2,144,271	2,149,976	1,880,755	269,221
Other Objects	2,616,098	2,422,779	2,137,907	284,872
Capital Outlay	340,000	340,000	273,998	66,002
Debt Service				
Principal	34,685	34,685	34,685	-
Interest	8,547	8,547	8,546	1
 Total Expenditures	 18,238,966	 18,230,188	 17,364,665	 865,523
 Excess (Deficiency) of Revenues Over Expenditures	 (347,587)	 (338,809)	 (339,954)	 (1,145)
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	20,991	10,991
Operating Transfers In	1,732,300	1,732,300	22,920	(1,709,380)
Operating Transfers Out	(1,394,713)	(1,403,491)	(21,838)	1,381,653
 Total Other Financing Sources (Uses)	 347,587	 338,809	 22,073	 (316,736)
 Net Change in Fund Balance	 -	 -	 (317,881)	 (317,881)
 Fund Balance, Beginning of Year (Restated)	 5,886,439	 5,886,439	 5,886,439	 -
 Fund Balance, End of Year	 \$ 5,886,439	 \$ 5,886,439	 \$ 5,568,558	 \$ (317,881)

**KERSHAW COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTAL INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN- DEFINED BENEFIT HEALTHCARE PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2009**

Fiscal year 2009 was the first year of implementation of GASB Statement No. 45 and Kershaw County, South Carolina has elected to implement this statement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual OPEB Cost	Contribution for Fiscal Year	Annual Percentage Contributed	Net OPEB Obligation	Applicable to Fiscal Year Ending
July 1, 2008	\$ 719,548	\$ 167,985	23.30%	\$ 551,563	June 30, 2009

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Aggregate* (b)	Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2008	\$ -	\$ 7,085,432	\$ 7,085,432	0.00%	\$ 16,444,134	43%

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2009

Note 1. Budgets and Budgetary Accounting

Budgets, except for the Special Revenue Funds, are adopted on a basis consistent with generally accepted accounting principles. The accounting system provides for appropriate budgetary control. Budgetary comparisons are included in the supplemental schedules for the General Fund. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

Note 2. Legal Compliance – Budgets

The County Administrator submits a proposed operating budget for the fiscal year to the County Council. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is legally enacted through passage of an ordinance. The County Administrator is authorized to transfer budgeted amounts within departments as necessary to achieve the goals of the budget. Any revisions that alter the total expenditures of any fund must be approved by County Council. Budgeted amounts reflected in the accompanying financial statements are the final authorized amounts as revised during the year.

The County has not presented budget information for the combined Special Revenue Funds, since budgetary control is maintained on an individual grant basis. Since grant periods may differ from the County's fiscal year, a comparison of budgetary information for the total Special Revenue Fund would not be meaningful and has not been presented in the accompanying financial statements.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2009

		Detention Center Canteen	Clerk's Bond Fee Account	Library	Title IV-D Family Court	Firemen's Fund	Recreation Department	Law Enforcement Fund	Sheriff County Forfeiture	Sheriff Federal Forfeiture
Cash	\$	-	2,163	\$ 59,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables		-	-	30,131	-	-	42,071	-	-	-
Taxes, Net		4,336	-	379	14,014	-	-	-	-	-
Intergovernmental		-	-	-	-	-	-	-	-	-
Grants		-	-	-	-	-	-	-	-	-
Due from Other Funds		17,588	16,547	117,135	11,244	-	1,380,892	27,439	38,623	67,457
Total Assets		21,924	18,710	207,459	25,258	-	1,422,963	27,439	38,623	67,457
Liabilities and Fund Balances										
Liabilities:										
Accounts Payable and Accrued Liabilities		-	-	22,842	-	-	40,125	-	-	-
Due to Other Governmental Units		-	-	-	-	-	-	1,200	-	-
Due to Other Funds		-	-	-	-	-	-	-	-	-
Deferred Tax Revenue		-	-	30,131	-	-	42,071	-	-	-
Deferred Revenue		-	-	-	-	-	-	-	-	-
Total Liabilities		-	-	52,973	-	-	82,196	1,200	-	-
Fund Balances:										
Unreserved		21,924	18,710	154,486	25,258	-	1,340,767	26,239	38,623	67,457
Total Fund Balances		21,924	18,710	154,486	25,258	-	1,340,767	26,239	38,623	67,457
Total Liabilities and Fund Balances		21,924	18,710	207,459	25,258	-	1,422,963	27,439	38,623	67,457

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2009
(Continued)

	Local Accommodations Tax	Sheriff County Seizure	FAA Grant	EPA Water Line Grant	911 Tariff	Capital Fund	EMS Grant	Solid Waste Tire Pile	101 Industrial Park
Assets									
Cash	\$ -	\$ 27,624	\$ -	\$ -	\$ 597,850	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	25,473	-	-	-
Taxes, Net	8,758	-	-	-	-	-	-	6,363	-
Intergovernmental Grants	-	-	-	-	-	-	-	-	-
Due from Other Funds	489,166	29,424	-	-	-	640,902	-	-	-
Total Assets	<u>497,924</u>	<u>57,048</u>	<u>-</u>	<u>-</u>	<u>597,850</u>	<u>666,375</u>	<u>-</u>	<u>6,363</u>	<u>-</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Liabilities	-	-	-	-	-	-	-	15,070	-
Due to Other Governmental Units	-	-	-	-	-	-	-	40,000	-
Due to Other Funds	-	-	-	92,384	220,404	-	-	15,848	-
Deferred Tax Revenue	-	-	-	-	-	25,473	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,384</u>	<u>220,404</u>	<u>25,473</u>	<u>-</u>	<u>70,918</u>	<u>-</u>
Fund Balances:									
Unreserved	497,924	57,048	-	(92,384)	377,446	640,902	-	(64,555)	-
Total Fund Balances	<u>497,924</u>	<u>57,048</u>	<u>-</u>	<u>(92,384)</u>	<u>377,446</u>	<u>640,902</u>	<u>-</u>	<u>(64,555)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 497,924</u>	<u>\$ 57,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,850</u>	<u>\$ 666,375</u>	<u>\$ -</u>	<u>\$ 6,363</u>	<u>\$ -</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2009
(Continued)

	Civil Process Seizure	School Resource Officer	LLEBG	Fire Services	Road Maintenance	DHEC Oil	Tourism Advisory Committee	Tourism Advertising & Promotion	Grant Fund
Assets									
Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,328,765	\$ -	\$ 202,808	\$ -	\$ 19,700
Receivables									
Taxes, Net				41,254					
Intergovernmental						10,411	36,131	16,675	
Grants									4,030
Due from Other Funds	4,290			1,014,962				27,110	
Total Assets	4,290			1,056,216	1,328,765	10,411	238,939	43,785	23,730
Liabilities and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Liabilities				48,320					
Due to Other Governmental Units									
Due to Other Funds					1,328,765	4,449	181,455	19,687	17,594
Deferred Tax Revenue				33,130					
Deferred Revenue									2,091
Total Liabilities				81,450	1,328,765	4,449	181,455	19,687	19,685
Fund Balances:									
Unreserved	4,290			974,766		5,962	57,484	24,098	4,045
Total Fund Balances	4,290			974,766		5,962	57,484	24,098	4,045
Total Liabilities and Fund Balances	4,290			1,056,216	1,328,765	10,411	238,939	43,785	23,730

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2009
(Continued)

	Mini Bottle Pass Thru	Victim's Advocate	Sheriff Unclaimed Property	Lease Purchase	Baseball Tomorrow	Steepchase Industrial	CITC Funds	KC Clean Community	Sewer Tax District	Total 2009
Assets										
Cash	\$ -	\$ -	\$ 5,326	\$ 269,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,513,053
Receivables	-	-	-	-	-	-	-	-	-	145,980
Taxes, Net	-	-	-	-	-	-	-	-	7,051	128,787
Intergovernmental	23,053	8,667	-	-	-	-	-	-	-	4,030
Grants	-	-	-	-	-	-	-	-	-	19,034
Due from Other Funds	-	49,660	-	-	-	-	-	-	185,272	4,136,745
Total Assets	23,053	58,327	5,326	269,003	-	-	-	19,034	192,323	6,928,595
Liabilities and Fund Balances										
Liabilities:										
Accounts Payable and Accrued Liabilities	-	-	-	-	-	-	-	-	-	126,357
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	40,000
Due to Other Funds	-	-	-	270,543	-	-	239,716	-	-	2,392,045
Deferred Tax Revenue	-	-	-	-	-	-	-	-	5,159	135,964
Deferred Revenue	-	-	-	-	-	-	-	-	-	2,091
Total Liabilities	-	-	-	270,543	-	-	239,716	-	5,159	2,696,457
Fund Balances:										
Unreserved	23,053	58,327	5,326	(1,540)	-	-	(239,716)	19,034	187,164	4,232,138
Total Fund Balances	23,053	58,327	5,326	(1,540)	-	-	(239,716)	19,034	187,164	4,232,138
Total Liabilities and Fund Balances	23,053	58,327	5,326	269,003	-	-	-	19,034	192,323	6,928,595

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	Detention Center Canteen	Clerk's Bond Fee Account	Library	Title IVD Family Court	Firemen's Fund	Recreation Department	Law Enforcement Fund	Sheriff County Forfeiture	Sheriff Federal Forfeiture
Revenues									
Taxes	\$ -	\$ -	\$ 704,857	\$ -	\$ -	\$ 1,233,469	\$ -	\$ -	\$ -
Intergovernmental	-	-	80,024	169,375	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	20,325	-	-	293,067	-	29,285	-
Miscellaneous	56,887	-	17,161	-	-	-	11,303	-	-
Total Revenues	56,887	-	822,367	169,375	-	1,526,536	11,303	29,285	-
Expenditures									
General Government	-	-	805,157	128,395	-	-	-	-	-
Public Safety	88,726	-	-	-	124,389	-	2,766	23,579	5,353
Highway and Streets	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	1,180,957	-	-	-
Other Objects	-	-	4,324	-	-	40,048	-	-	-
Capital Outlay	2,611	-	-	-	-	116,286	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	91,337	-	809,481	128,395	124,389	1,337,291	2,766	23,579	5,353
Excess (Deficiency) of Revenues Over Expenditures	(34,450)	-	12,886	40,980	(124,389)	189,245	8,537	5,706	(5,353)
Other Financing Sources (Uses)									
Insurance Proceeds	-	-	-	-	-	619,691	-	-	-
Sale of Capital Assets	-	-	-	-	-	8,865	-	-	-
Transfers In/(Out)	-	-	-	-	13,981	(770,495)	(4,402)	-	-
Total Other Financing Sources (Uses)	-	-	-	-	13,981	(141,939)	(4,402)	-	-
Net Change in Fund Balances	(34,450)	-	12,886	40,980	(110,408)	47,306	4,135	5,706	(5,353)
Fund Balances, Beginning of Year (Restated)	56,374	18,710	141,600	(15,722)	110,408	1,293,461	22,104	32,917	72,810
Fund Balances, End of Year	21,924	18,710	154,486	25,258	-	1,340,767	26,239	38,623	67,457

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009
(Continued)

	Local Accommodations Tax	Sheriff County Seizure	FAA Grant	EPA Water Line Grant	911 Tariff	Capital Fund	EMS Grant	Solid Waste Tire Pile	101 Industrial Park
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,283	\$ -	\$ -	\$ -
Intergovernmental	79,114	-	-	-	-	-	15,738	40,161	-
Charges for Services	-	-	-	-	-	-	-	-	-
Fines and Forfeits	-	15,115	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	570,324	-	-	-	-
Total Revenues	<u>79,114</u>	<u>15,115</u>	<u>-</u>	<u>-</u>	<u>570,324</u>	<u>308,283</u>	<u>15,738</u>	<u>40,161</u>	<u>-</u>
Expenditures									
General Government	-	-	-	-	152,274	-	-	-	-
Public Safety	-	17,286	-	-	-	-	15,738	-	-
Highway and Streets	-	-	-	-	-	-	-	473	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	42,637	-	-	-	-
Capital Outlay	-	-	-	-	112,032	1,158,167	-	78,620	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>17,286</u>	<u>-</u>	<u>-</u>	<u>306,943</u>	<u>1,158,167</u>	<u>15,738</u>	<u>79,093</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>79,114</u>	<u>(2,171)</u>	<u>-</u>	<u>-</u>	<u>263,381</u>	<u>(849,884)</u>	<u>-</u>	<u>(38,932)</u>	<u>-</u>
Other Financing Sources (Uses)									
Insurance Proceeds	-	-	-	-	-	20,300	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	-	-	114	-	-	-	-	-	(30,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>114</u>	<u>-</u>	<u>-</u>	<u>20,300</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balances	<u>79,114</u>	<u>(2,171)</u>	<u>114</u>	<u>-</u>	<u>263,381</u>	<u>(829,584)</u>	<u>-</u>	<u>(38,932)</u>	<u>(30,000)</u>
Fund Balances, Beginning of Year (Restated)	<u>418,810</u>	<u>59,219</u>	<u>(114)</u>	<u>(92,384)</u>	<u>114,065</u>	<u>1,470,486</u>	<u>-</u>	<u>(25,623)</u>	<u>30,000</u>
Fund Balances, End of Year	<u>\$ 497,924</u>	<u>\$ 57,048</u>	<u>\$ -</u>	<u>\$ (92,384)</u>	<u>\$ 377,446</u>	<u>\$ 640,902</u>	<u>\$ -</u>	<u>\$ (64,555)</u>	<u>\$ -</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009
(Continued)

		Civil Process Seizure	School Resource Officer	LLEBG	Fire Services	Road Maintenance	DHEC Oil	Tourism Advisory Committee	Tourism Advertising & Promotion	Grant Fund
Revenues										
Taxes	\$	-	\$	-	\$	-	\$	-	\$	-
Intergovernmental		-	-	-	-	-	49,609	52,213	24,098	-
Charges for Services		-	-	-	-	1,004,286	-	-	-	-
Fines and Forfeits		3,150	-	-	-	114,395	-	-	-	-
Miscellaneous		-	-	-	25,000	-	-	-	-	163,749
Total Revenues		<u>3,150</u>	<u>-</u>	<u>-</u>	<u>1,014,905</u>	<u>1,118,681</u>	<u>49,609</u>	<u>52,213</u>	<u>24,098</u>	<u>163,749</u>
Expenditures										
General Government		-	-	-	-	-	4,429	-	-	113,680
Public Safety		-	-	-	611,627	-	-	-	-	55,026
Highway and Streets		-	-	-	-	1,118,681	-	-	-	-
Culture and Recreation		-	-	-	-	-	-	-	-	-
Other Objects		60	-	-	25,582	-	-	44,000	19,687	-
Capital Outlay		-	-	-	303,805	-	39,749	-	-	-
Debt Service		-	-	-	-	-	-	-	-	-
Principal		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Total Expenditures		<u>60</u>	<u>-</u>	<u>-</u>	<u>941,014</u>	<u>1,118,681</u>	<u>44,178</u>	<u>44,000</u>	<u>19,687</u>	<u>168,706</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>3,090</u>	<u>-</u>	<u>-</u>	<u>73,891</u>	<u>-</u>	<u>5,431</u>	<u>8,213</u>	<u>4,411</u>	<u>(4,957)</u>
Other Financing Sources (Uses)										
Insurance Proceeds		-	-	-	-	-	-	-	-	-
Sale of Capital Assets		-	681	(1,947)	-	-	-	-	-	47,324
Transfers In/(Out)		-	681	(1,947)	-	-	-	-	-	47,324
Total Other Financing Sources (Uses)		<u>-</u>	<u>681</u>	<u>(1,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,324</u>
Net Change in Fund Balances		<u>3,090</u>	<u>681</u>	<u>(1,947)</u>	<u>73,891</u>	<u>-</u>	<u>5,431</u>	<u>8,213</u>	<u>4,411</u>	<u>42,367</u>
Fund Balances, Beginning of Year (Restated)		<u>1,200</u>	<u>(681)</u>	<u>1,947</u>	<u>900,875</u>	<u>-</u>	<u>531</u>	<u>49,271</u>	<u>19,687</u>	<u>(38,322)</u>
Fund Balances, End of Year		<u>\$ 4,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 974,766</u>	<u>\$ -</u>	<u>\$ 5,962</u>	<u>\$ 57,484</u>	<u>\$ 24,098</u>	<u>\$ 4,045</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009
(Continued)

	Mimi Bottle Pass Thru	Victim's Advocate	Sheriff Unclaimed Property	Lease Purchase	Baseball Tomorrow	Steepchase Industrial	CTC Funds	KC Clean Community	Sewer Tax District	Total 2009
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,164	\$ 3,423,678
Intergovernmental	92,214	-	-	-	-	299,512	-	-	-	902,058
Charges for Services	-	-	-	-	-	-	-	-	-	1,004,286
Fines and Forfeits	-	42,484	52	-	-	-	-	-	-	517,873
Miscellaneous	-	-	-	-	-	-	-	15,530	-	859,954
Total Revenues	<u>92,214</u>	<u>42,484</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>299,512</u>	<u>-</u>	<u>15,530</u>	<u>187,164</u>	<u>6,707,849</u>
Expenditures										
General Government	70,572	-	-	-	-	-	-	-	-	1,274,507
Public Safety	-	-	-	-	-	-	-	-	-	944,490
Highway and Streets	-	-	-	-	-	-	-	-	-	1,119,154
Culture and Recreation	-	-	-	-	-	-	-	-	-	1,180,957
Other Objects	-	-	-	-	-	-	-	11,463	-	187,801
Capital Outlay	-	20,999	-	-	-	-	269,565	-	-	2,101,834
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>70,572</u>	<u>20,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,565</u>	<u>11,463</u>	<u>-</u>	<u>6,808,743</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>21,642</u>	<u>21,485</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>29,947</u>	<u>-</u>	<u>4,067</u>	<u>187,164</u>	<u>(100,894)</u>
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	639,991
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	8,865
Transfers In/(Out)	-	-	-	-	120	5,111	-	-	-	(739,513)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>5,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,657)</u>
Net Change in Fund Balances	<u>21,642</u>	<u>21,485</u>	<u>52</u>	<u>-</u>	<u>120</u>	<u>5,111</u>	<u>29,947</u>	<u>4,067</u>	<u>187,164</u>	<u>(191,551)</u>
Fund Balances, Beginning of Year (Restated)	<u>1,411</u>	<u>36,842</u>	<u>5,274</u>	<u>(1,540)</u>	<u>(120)</u>	<u>(5,111)</u>	<u>(269,663)</u>	<u>14,967</u>	<u>-</u>	<u>4,423,689</u>
Fund Balances, End of Year	<u>\$ 23,053</u>	<u>\$ 58,327</u>	<u>\$ 5,326</u>	<u>\$ (1,540)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (239,716)</u>	<u>\$ 19,034</u>	<u>\$ 187,164</u>	<u>\$ 4,232,138</u>

KERSHAW COUNTY, SOUTH CAROLINA
LIBRARY OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2009

	County	State	State Lottery	Federal Grant	Total
Revenues					
Taxes	\$ 704,857	\$ -	\$ -	\$ -	\$ 704,857
Fines	20,325	-	-	-	20,325
Intergovernmental	-	80,024	-	-	80,024
Miscellaneous	<u>17,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,161</u>
Total Revenues	<u>742,343</u>	<u>80,024</u>	<u>-</u>	<u>-</u>	<u>822,367</u>
Expenditures					
Personnel	569,164	-	-	-	569,164
Maintenance	47,074	-	-	-	47,074
Utilities	25,401	-	-	-	25,401
Office Expense	17,277	-	-	-	17,277
Books, Periodicals and Departmental Supplies	53,063	80,107	-	-	133,170
Miscellaneous	<u>17,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,395</u>
Total Expenditures	<u>729,374</u>	<u>80,107</u>	<u>-</u>	<u>-</u>	<u>809,481</u>
Excess of Revenues Over Expenditures	12,969	(83)	-	-	12,886
Fund Balance, Beginning of Year (Restated)	<u>108,548</u>	<u>23,023</u>	<u>1,720</u>	<u>8,309</u>	<u>141,600</u>
Fund Balance, End of Year	<u>\$ 121,517</u>	<u>\$ 22,940</u>	<u>\$ 1,720</u>	<u>\$ 8,309</u>	<u>\$ 154,486</u>

**KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES AND ASSESSMENTS
For the Fiscal Year Ended June 30, 2009**

Fines and Fees

Family Court Fines	\$ 14,480
Family Court Fees	177,892
Other Court Fines and Fees	195,016

Assessments

DUI	56,204
General Sessions	25,478
Magistrate	409,129

Surcharges

Drug	44,710
Law Enforcement	<u>177,540</u>

Total 1,100,449

Retained by County

Victims Assistance:	
Fines	42,837
Assessments	<u>54,415</u>

Total Retained by County 97,252

Total Fines and Assessments Remitted to State Treasurer \$ 1,003,197

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

KERSHAW COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
BALANCE SHEET
June 30, 2009

Assets

Cash	\$ 35,729
Taxes Receivable, Net	<u>71,372</u>
Total Assets	<u>107,101</u>

Liabilities and Fund Balance

Liabilities

Deferred Tax Revenue	<u>60,067</u>
Total Liabilities	<u>60,067</u>

Fund Balance

Reserved for Debt Service	<u>47,034</u>
Total Fund Balance	<u>47,034</u>

Total Liabilities and Fund Balance	<u>\$ 107,101</u>
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**KERSHAW COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2009**

Revenues

Taxes, Penalties and Interest	<u>\$ 1,634,558</u>
Total Revenues	<u>1,634,558</u>

Expenditures

Capital Outlay	219,528
Principal Retirement	1,184,541
Interest and Fees	<u>368,646</u>
Total Expenditures	<u>1,772,715</u>

Excess (Deficiency) of Revenues Over Expenditures	<u>(138,157)</u>
Net Change in Fund Balance	(138,157)
Fund Balance, Beginning of Year (Restated)	<u>185,191</u>
Fund Balance, End of Year	<u>\$ 47,034</u>

CAPITAL PROJECT 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.

KERSHAW COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
June 30, 2009

	Construction and Acquisition Bonds	Wateree Executive Park	FAA Parallel Taxiway	Old Armory	Central Carolina Project	West Recreation Complex	Kershaw Equine Center	Total
Cash	\$ 55,577	-	-	-	-	-	-	\$ 55,577
Grants Receivable	-	-	229,789	-	-	143,684	-	373,473
Due from Other Funds	-	298,276	-	-	-	-	262,466	560,742
Total Assets	<u>55,577</u>	<u>298,276</u>	<u>229,789</u>	<u>-</u>	<u>-</u>	<u>143,684</u>	<u>262,466</u>	<u>989,792</u>
Liabilities and Fund Balances								
Liabilities:								
Due to Other Funds	120,391	-	229,789	-	660,463	143,684	-	1,154,327
Total Liabilities	<u>120,391</u>	<u>-</u>	<u>229,789</u>	<u>-</u>	<u>660,463</u>	<u>143,684</u>	<u>-</u>	<u>1,154,327</u>
Fund Balances:								
Reserved for Capital Projects	(64,814)	298,276	-	-	(660,463)	-	262,466	(164,535)
Total Liabilities and Fund Balances	<u>55,577</u>	<u>298,276</u>	<u>229,789</u>	<u>-</u>	<u>-</u>	<u>143,684</u>	<u>262,466</u>	<u>989,792</u>

KERSHAW COUNTY, SOUTH CAROLINA
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended June 30, 2009

	Construction and Acquisition Bonds	Wateree Executive Park	FAA Parallel Taxiway	Old Armory	Central Carolina Project	West Recreation Complex	Kershaw Equine Center	Total
Revenues								
Interest	\$ 4,825	-	-	-	-	-	-	\$ 4,825
Miscellaneous	-	-	150,657	97,500	50,000	387,136	765,000	1,450,293
Total Revenues	<u>4,825</u>	<u>-</u>	<u>150,657</u>	<u>97,500</u>	<u>50,000</u>	<u>387,136</u>	<u>765,000</u>	<u>1,455,118</u>
Expenditures								
Capital Outlay	7,873	162,243	113,850	97,500	848,310	353,952	502,534	2,086,262
Total Expenditures	<u>7,873</u>	<u>162,243</u>	<u>113,850</u>	<u>97,500</u>	<u>848,310</u>	<u>353,952</u>	<u>502,534</u>	<u>2,086,262</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,048)</u>	<u>(162,243)</u>	<u>36,807</u>	<u>-</u>	<u>(798,310)</u>	<u>33,184</u>	<u>262,466</u>	<u>(631,144)</u>
Other Financing Sources (Uses)								
Transfer From General Fund	4,742	-	-	-	-	-	-	4,742
Transfer From SRF Fund	-	-	-	-	-	770,495	-	770,495
Transfer To SRF Fund	-	-	(36,807)	-	-	-	-	(36,807)
Total Other Financing Sources (Uses)	<u>4,742</u>	<u>-</u>	<u>(36,807)</u>	<u>-</u>	<u>-</u>	<u>770,495</u>	<u>-</u>	<u>738,430</u>
Net Change in Fund Balance	1,694	(162,243)	-	-	(798,310)	803,679	262,466	107,286
Fund Balances, Beginning of Year	(66,508)	460,519	-	-	137,847	(803,679)	-	(271,821)
Fund Balances, End of Year	<u>\$(64,814)</u>	<u>\$ 298,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(660,463)</u>	<u>\$ -</u>	<u>\$ 262,466</u>	<u>\$(164,535)</u>

SEWER SYSTEM ENTERPRISE FUND

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. The only enterprise fund utilized is for the Sewer System.

KERSHAW COUNTY, SOUTH CAROLINA
SEWER SYSTEM ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2009

	Enterprise Fund Sewer Fund
Operating Revenues	
Charges from Sewer Service	\$ 679,595
Impact Fees and Other Charges	451,664
Miscellaneous	<u>2,270</u>
Total Revenues	<u>1,133,529</u>
Operating Expenses	
Salaries and Benefits	121,488
Bad Debts	17,392
Contractual Services	88,462
Supplies	13,144
Repairs and Maintenance	191,811
Utilities and Telephone	112,389
Postage	4,881
Miscellaneous	23,673
Depreciation	188,404
Amortization	<u>992</u>
Total Operating Expenses	<u>762,636</u>
Operating Income	<u>370,893</u>
Non-Operating Income (Expense)	
Interest Income	47,831
Interest Expense	(78,989)
Loss on Disposal of Capital Assets	<u>(24,633)</u>
Total Non-Operating Income (Expense)	<u>(55,791)</u>
Income Before Contributions	315,102
Capital Contributions	<u>2,200,800</u>
Change in Net Assets	2,515,902
Net Assets, Beginning of Year	<u>7,023,448</u>
Net Assets, End of Year	<u>\$ 9,539,350</u>

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Trust funds are used to account for assets held by the government in a trustee capacity.

**KERSHAW COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash	\$ 2,256,154	\$ 1,506,055
Taxes Receivable, Net	<u>1,885,843</u>	<u>-</u>
Total Assets	<u><u>4,141,997</u></u>	<u><u>1,506,055</u></u>
Liabilities and Fund Balances		
Liabilities:		
Due to Other Taxing Authorities	2,030,362	-
Deferred Tax Revenue	1,607,284	-
Due to Solicitor	<u>504,351</u>	<u>-</u>
Total Liabilities	<u><u>4,141,997</u></u>	<u><u>-</u></u>
Fund Balances:		
Reserved	<u>-</u>	<u>1,506,055</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,141,997</u></u>	<u><u>\$ 1,506,055</u></u>

KERSHAW COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES- ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Assets				
Cash	\$ 2,824,336	\$ 35,987,580	\$ 36,555,762	\$ 2,256,154
Taxes Receivable, Net	<u>1,109,411</u>	<u>33,637,888</u>	<u>32,861,456</u>	<u>1,885,843</u>
Total Assets	<u>3,933,747</u>	<u>69,625,468</u>	<u>69,417,218</u>	<u>4,141,997</u>
Liabilities				
Due to Other Taxing Authorities	1,745,915	32,861,456	32,577,009	2,030,362
Deferred Tax Revenue	432,575	1,607,284	432,575	1,607,284
Due to Solicitor	<u>1,755,257</u>	<u>3,126,124</u>	<u>4,377,030</u>	<u>504,351</u>
Total Liabilities	<u>\$ 3,933,747</u>	<u>\$ 37,594,864</u>	<u>\$ 37,386,614</u>	<u>\$ 4,141,997</u>

KERSHAW COUNTY, SOUTH CAROLINA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET-ALL TRUST FUNDS
June 30, 2009

	<u>Detention Center</u>	<u>Land Sale</u>	<u>Magistrate</u>	<u>Clerk/ Family Court</u>	<u>Master in Equity</u>	<u>Total</u>
Assets						
Cash	\$ 41,656	\$ 710,049	\$ 172,752	\$ 551,816	\$ 29,782	\$ 1,506,055
Total Assets	<u>41,656</u>	<u>710,049</u>	<u>172,752</u>	<u>551,816</u>	<u>29,782</u>	<u>1,506,055</u>
Liabilities and Fund Balances						
Due to Other Taxing Authorities	-	-	-	-	-	-
Fund Balances						
Reserved	<u>41,656</u>	<u>710,049</u>	<u>172,752</u>	<u>551,816</u>	<u>29,782</u>	<u>1,506,055</u>
Total Fund Balances	<u>\$ 41,656</u>	<u>\$ 710,049</u>	<u>\$ 172,752</u>	<u>\$ 551,816</u>	<u>\$ 29,782</u>	<u>\$ 1,506,055</u>

FEDERAL REPORTING SECTION

**KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009**

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
Edward Byne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0198	\$ <u>8,676</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>8,676</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through SC Emergency Management Division :			
Emergency Management Performance Grant	97.042	7EMPG02	11,881
Emergency Management Performance Grant	97.042	8EMPG01	<u>33,506</u>
TOTAL 97.042	\$ 45,387		
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>45,387</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION			
Direct Program:			
Airport Improvement Grant	20.106	3-45-0011-15	77,574
Airport Improvement Grant	20.106	3-45-0011-16	<u>31,248</u>
TOTAL 20.106	\$ 108,822		
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>108,822</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through SC Department of Commerce:			
Community Development Block Grant	14.228	4-NR-06-013	91,186
Community Development Block Grant	14.228	4-W-07-004	<u>4,500</u>
TOTAL 14.228	\$ 95,686		
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>95,686</u>

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009
(Continued)

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. DEPARTMENT OF COMMERCE			
ECONOMIC DEVELOPMENT ADMINISTRATION			
Direct Program:			
Public Works and Economic Development Grant	11.300	04-01-05479	* \$ <u>683,302</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>683,302</u>
U.S. DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE			
Passed Through SC Department of Parks, Recreation and Tourism:			
Outdoor Recreation, Acquisition, Development and Planning Grant	15.916	45-01084	<u>64,118</u>
TOTAL U.S. DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE			<u>64,118</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
OFFICE OF ADMINISTRATION			
Direct Program:			
Congressionally Mandated Project	66.202	XP-95451310	<u>240,600</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>240,600</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 1,246,591</u>

* Tested as major program

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2009

- Note 1. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Kershaw County, South Carolina for the year ended June 30, 2009. All federal awards received directly from federal agencies as well as those passed through other government agencies are included on the Schedule.
- Note 2. The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in the notes to the County's basic financial statements.
- Note 3. Federal award expenditures are reported in the County's basic financial statements as expenditures in the Special Revenue Funds and Capital Projects Funds.
- Note 4. Differences between the amount of revenue received from federal awards and the related expenditures are recognized as either deferred revenue or receivables in the basic financial statements. The amounts recorded on the Schedule of Expenditures of Federal Awards agree with the amounts recorded in the basic financial statements.

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February 10, 2010

**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**

Honorable Members of the County Council
Kershaw County
Camden, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Kershaw County, South Carolina's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Kershaw County, South Carolina's financial statements is more than inconsequential will not be prevented or detected by Kershaw County, South Carolina's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, and 09-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Kershaw County, South Carolina's internal control. Of the significant deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs, we consider items 09-1, 09-2, and 09-3 as material weaknesses.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

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

Kershaw County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Kershaw County, South Carolina's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Council, management, and all other legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Sheheen, Hancock and Godwin, LLP
Certified Public Accountants

SHEHEEN, HANCOCK & GODWIN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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February 10, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Members of the County Council
Kershaw County
Camden, South Carolina

Compliance

We have audited the compliance of Kershaw County, South Carolina with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Kershaw County, South Carolina's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Kershaw County's management. Our responsibility is to express an opinion on Kershaw County, South Carolina's compliance based on our audit.

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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Kershaw 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. Our audit does not provide a legal determination on Kershaw County, South Carolina's compliance with those requirements.

In our opinion, Kershaw County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Kershaw County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Kershaw County, South Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Kershaw County, South Carolina's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Kershaw County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Kershaw County, South Carolina's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Council, management, and all other legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock and Godwin, LLP
Certified Public Accountants

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009

A. SUMMARY OF RESULTS

1. The financial statement opinion is unqualified.
2. Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements. Three deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance to the financial statements for Kershaw County.
4. No material weakness in internal control over major programs were disclosed by the audit.
5. We have issued an unqualified report on compliance for major programs.
6. The audit disclosed audit findings as described on pages 96-100.
7. Major programs are as follows:
 - U. S. Department of Commerce
 - Public Works and Economic Development Grant – CFDA 11.300
8. Type A programs are those exceeding \$300,000. Type B programs are those exceeding \$100,000.
9. Kershaw County did not qualify as a low-risk auditee.

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009
(Continued)

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

09-1 Oversight of the Financial Reporting Process

Condition:

Management requested us to assist in identifying adjustments to the accounting records and prepare the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in municipalities of the County's size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring the internal resource cost.

Criteria:

Kershaw County should have a system of internal controls that would enable management to conclude that the financial statements and the related disclosures are complete and presented in accordance with generally accepted accounting principles.

Questioned Cost:

Unknown

Recommendations:

We recommend that the County continue to evaluate the cost benefit of training or hiring someone with sufficient knowledge in order to develop a financial reporting internal control system that would allow management to conclude the financial statements and related disclosures are complete and presented in accordance with generally accepted accounting principles or to continue outsourcing these services.

View of Responsible Official and Planned Corrective Action:

Management understands this finding and as of the issuance of this report has purchased and implemented new financial system software to better manage the County's financial data and provide greater assistance in the year end closing process. Management has also promoted a new Finance Director with governmental accounting experience, a certification in governmental finance and extensive experience with the new financial system. The new Finance Director has made continued improvements to the County's internal control system by reviewing the work of staff and implementing customized groups for each individual user.

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009
(Continued)

09-2 Fiscal Management over Fixed Asset Records

Condition:

The County did not update fixed asset schedules maintained for the Governmental Funds and the Utility Fund for all of the current year additions. Also, all capital expenditures were not properly charged to capital outlay accounts.

Criteria:

The fixed asset records should be maintained and updated for any additions and disposals, and all capital expenditures should be charged to each appropriate department's capital outlay expenditure line item.

Questioned Cost:

Unknown

Recommendation:

Once a month, we recommend that the capital outlay accounts be reviewed, and any fixed asset additions costing over the \$10,000 capitalization policy should be added to the depreciation schedules. No capital expenses less than \$10,000 should be recorded on the depreciation schedule. Also, all capital expenditures should be charged to the appropriate capital outlay expenditure line item.

View of Responsible Official and Planned Corrective Action:

Management understands this finding and as of the issuance of this report the current Finance Director reviews all invoices before payment to ensure expenditures are recorded in the appropriate accounts, including but not limited to capital items.

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009
(Continued)

09-3 Fiscal Management over Accounting Records

Condition:

During the fiscal year, we discovered that the County failed to follow a practice of performing any type of interim analysis of general ledger accounts.

Criteria:

Once a month, bank reconciliations and subsidiary ledgers should be reconciled to the general ledger detail accounts. Also, a review of the general ledger should be performed in order to identify revenue or expenditures/expenses charged to the incorrect accounts or charged to the incorrect fund.

Questioned Cost:

Unknown

Recommendation:

In order to make the financial reports generated by the accounting system as meaningful as possible, the County should reconcile the general ledger accounts for cash, accounts receivable, and accounts payable to supporting documentation on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

1. A cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors.
2. A reconciliation of accounts receivable from the general ledger to the accounts receivable detail ledger should be prepared to check that the recording of transactions is accurate and proper and that any adjustments to, or write-offs of, accounts receivable have been approved.

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009
(Continued)

3. A reconciliation of accounts payable from the general ledger to the outstanding accounts payable register should be prepared to determine that all additions to, and payments of, accounts payable are correctly recorded and to determine whether there are any disputed items.
4. Other account balances, such as loan balances, fixed assets, due to/from accounts, transfers, etc., should also be adjusted to the correct balances on a monthly basis.

These reconciliations and adjustments will ensure meaningful and accurate financial statements. The financial statements can then be used to assist management in the decision-making process.

View of Responsible Official and Planned Corrective Action:

Management understands this finding and as of the date of this report has purchased and implemented a new financial system software to better manage the County's financial data and assist with interim reviews and reconciliation processes. Management has also promoted a new Finance Director with governmental accounting experience, a certification in governmental finance and extensive experience with the new financial system. The new financial system includes an accounts receivable module which automatically records receivables. The new Finance Director reviews all invoices before payment to ensure expenditures are recorded in the appropriate accounts. Also, the new Finance Director reviews the work of all staff before posting to the general ledger. The new Finance Director has implemented processes for weekly bank transfers and monthly balancing of due to/due from accounts.