



**TOWN OF RIDGELAND, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2013**

Mayor

Joseph N. Malphrus

Mayor Pro Tempore

Tommy Rhodes

Town Council Members

Josephine Boyles
Grady Woods
Gary Mazzanna
Chris DuBose

Town Administrator

Jason C. Taylor

Clerk – Treasurer

Penny Daley

Finance Director

Sharon Boyles

**TOWN OF RIDGELAND, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013
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FINANCIAL SECTION



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Richard D. Crowley, CPA, CVA
Lisa T. Wechsler, CPA

Member:
American Institute of CPAs
South Carolina Association of CPAs

INDEPENDENT AUDITORS' REPORT

To the Mayor and Town Council
Town of Ridgeland, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Ridgeland (Town), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

P. O. BOX 481
2015 BOUNDARY ST. · SUITE 311
BEAUFORT, SC 29901
TEL 843.379.1065 · FAX 843.379.1066

P. O. BOX 2569
941 HOUSTON NORTHCUTT BLVD.
MOUNT PLEASANT, SC 29465
TEL 843.971.0882 · FAX 843.971.0884

Implementation of GASB 63 and GASB 65

As discussed in Note 1 to the financial statements, the Town of Brunson has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, "*Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources and Net Position*" and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*".

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-11 and 37-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Town of Ridgeland, South Carolina's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of fines, assessments and surcharges are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



Beaufort, South Carolina
January 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Ridgeland, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes.

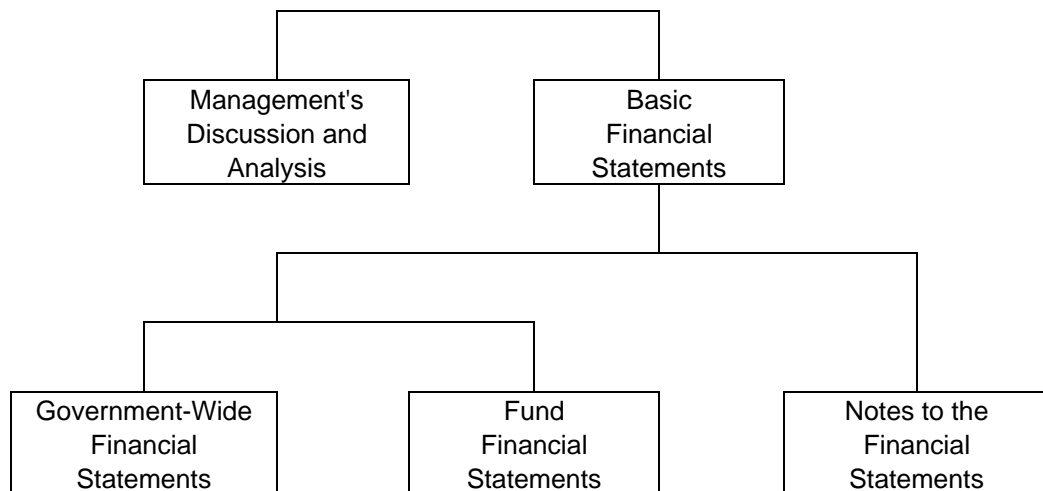
Financial Highlights

- The assets of the Town of Ridgeland exceeded its liabilities by \$14,080,032 at June 30, 2013 as compared to \$13,649,964 at the end of the previous fiscal year. The net position in the governmental activities increased from \$4,935,137 at June 30, 2012 to \$5,009,990 at June 30, 2013, and the net position in the business-type activities increased from \$8,714,827 at June 30, 2012 to \$9,070,042 at June 30, 2013. The Town of Ridgeland's net position increase of \$430,068 is due to an increase of \$74,853 in governmental activities and an increase of \$355,215 in business-type activities.
- As of the close of the fiscal year the Town's governmental fund reported an ending fund balance of \$1,059,044 as compared to \$1,019,842 for the previous fiscal year, resulting in an increase of \$39,202, as compared to an increase in the previous year of \$62,313.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Town's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

Required Components of Annual Financial Report



Government-wide Financial Statements

The *government-wide financial statements* are designed to provide a broad view of the Town's operations in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Town's overall status.

The first of these government-wide statements is the *Statement of Net Position*. The *Statement of Net Position* presents information on all the Town's assets and liabilities, with the difference between the two being reported as *net position*. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The second government-wide statement is the *Statement of Activities*. The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

These statements provide more detailed information about the Town's most significant funds – not the Town as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two fund types – Governmental Funds and Proprietary Funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to reconcile the two types of statements.

Proprietary Funds are used to account for services for which the Town charges customers a fee. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. These funds are similar to the government-wide business-type activities, but provide more detail and additional information, such as a cash flow statement.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* that includes the General Fund budgetary comparison, the schedule of fines and assessments, and the Water and Sewer Fund budgetary comparison.

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2013 the Town's assets exceeded liabilities by \$14,080,032. This represents an increase in the Town's net position of \$430,068 or 3%.

The largest portion \$11,320,812 or 80.4% of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town's long-term debt at June 30, 2013 was \$211,078, which was a decrease of \$94,562 over the previous year.

The following is a comparative presentation of the net position of the Town as of June 30, 2012 and June 30, 2013.

Net Position June 30, 2013

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current Assets	\$ 1,539,075	\$ 1,270,092	\$ 1,980,917	\$ 2,009,962	\$ 3,519,992	\$ 3,280,054
Capital Assets	4,132,634	4,248,246	7,272,074	7,021,278	11,404,708	11,269,524
Total Assets	<u>5,671,709</u>	<u>5,518,338</u>	<u>9,252,991</u>	<u>9,031,240</u>	<u>14,924,700</u>	<u>14,549,578</u>
Long-Term Liabilities	181,080	273,521	29,998	32,119	211,078	305,640
Other Liabilities	480,639	309,680	152,951	284,293	633,590	593,973
Total Liabilities	<u>661,719</u>	<u>583,201</u>	<u>182,949</u>	<u>316,412</u>	<u>844,668</u>	<u>899,613</u>
Net Position:						
Invested in Capital Assets						
Net of Related Debt	4,048,738	4,104,920	7,272,074	6,927,381	11,320,812	11,032,301
Restricted	164,359	155,277	1,360,075	1,324,021	1,524,434	1,479,298
Unrestricted	796,893	674,940	437,893	463,426	1,234,786	1,138,366
Total Net Position	<u>\$ 5,009,990</u>	<u>\$ 4,935,137</u>	<u>\$ 9,070,042</u>	<u>\$ 8,714,828</u>	<u>\$ 14,080,032</u>	<u>\$ 13,649,965</u>

Change in Net Position.

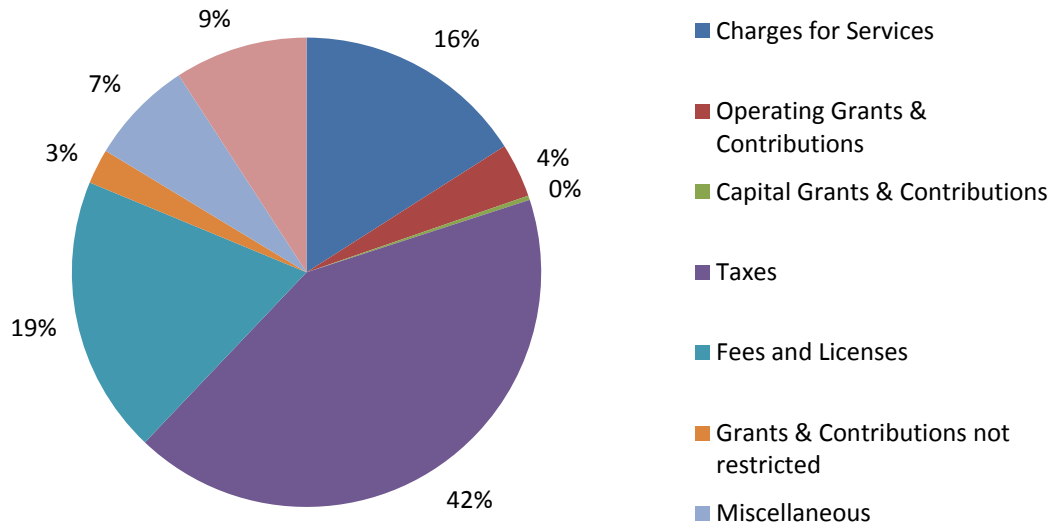
The following is a comparative analysis of the changes in net position for the years ended June 30, 2013 and June 30, 2012:

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for Services	\$ 637,040	\$ 636,536	\$ 1,408,131	\$ 1,490,705	\$ 2,045,171	\$ 2,127,241
Operating Grants and Contributions	149,128	227,254	-	5,000	149,128	232,254
Capital Grants and Contributions	11,674	267,743	424,500	-	436,174	267,743
Total Program Revenues	797,842	1,131,533	1,832,631	1,495,705	2,630,473	2,627,238
General Revenues						
Taxes	1,679,143	1,563,188	-	-	1,679,143	1,563,188
Impact & Capacity Fees	-	-	-	23,578	-	23,578
Business License Fees	763,911	759,744	-	-	763,911	759,744
Investment Earnings	53	57	1,597	2,636	1,650	2,693
Miscellaneous	286,897	284,763	116,274	5,674	403,171	290,437
Grants & Contributions not restricted	96,373	81,964	-	-	96,373	81,964
Transfers	365,000	337,094	(365,000)	(337,094)	-	-
Total General Revenues	3,191,377	3,026,810	(247,129)	(305,206)	2,944,248	2,721,604
Total Revenues	3,989,219	4,158,343	1,585,502	1,190,499	5,574,721	5,348,842
Expenses:						
Administrative	710,111	742,221	-	-	710,111	742,221
General Services	389,900	421,974	-	-	389,900	421,974
Public Safety	2,486,664	2,407,920	-	-	2,486,664	2,407,920
Tourism	235,937	287,366	-	-	235,937	287,366
Planning and Zoning	89,393	140,666	-	-	89,393	140,666
Water	-	-	578,787	589,412	578,787	589,412
Sewer	-	-	648,499	662,189	648,499	662,189
Interest	2,361	3,076	3,001	6,346	5,362	9,422
Total Expenses	3,914,366	4,003,223	1,230,287	1,257,947	5,144,653	5,261,170
Change in Net Position	74,853	155,120	355,215	(67,448)	430,068	87,672
Net Position- Beginning	4,935,137	4,780,017	8,714,827	8,782,275	13,649,964	13,562,292
Net Position- Ending	\$ 5,009,990	\$ 4,935,137	\$ 9,070,042	\$ 8,714,827	\$ 14,080,032	\$ 13,649,964

Operating and capital grants were down from year 2012 due to the completion of projects. General revenues were up approximately \$76,000 in local option sales taxes, accommodation/hospitality taxes, and business licenses which is indicative of a stronger economy. Overall expenses remained consistent with the prior year.

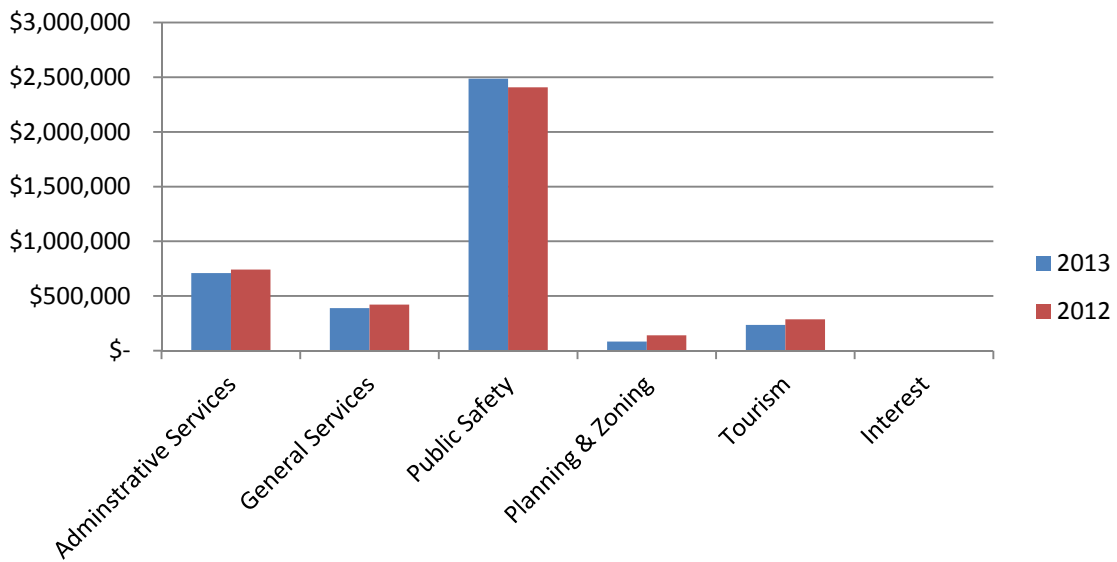
The following graph depicts the revenue sources for the various governmental activities of the Town.

Revenue Sources - Governmental Activities



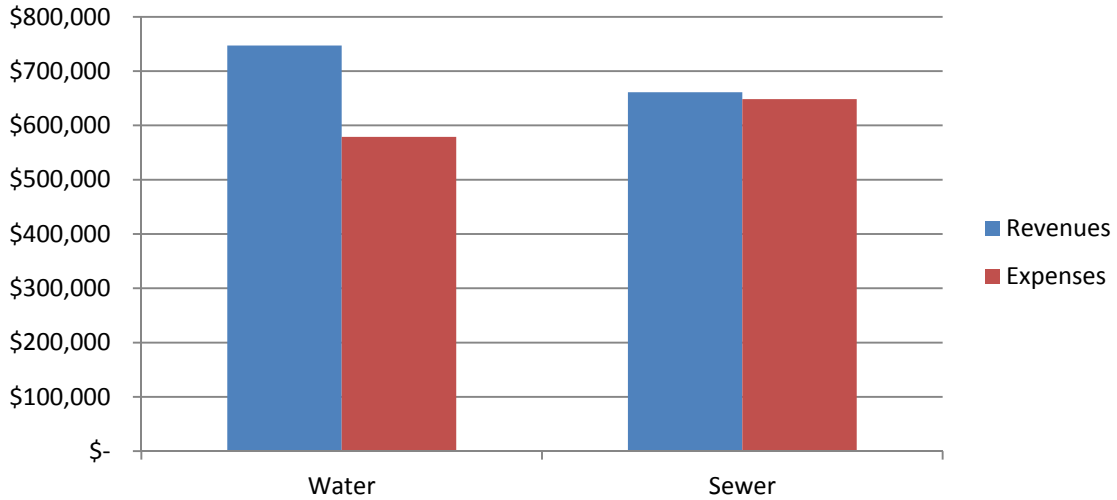
The following graph depicts the expenses for the various governmental activities of the Town.

Expenses for Governmental Activities



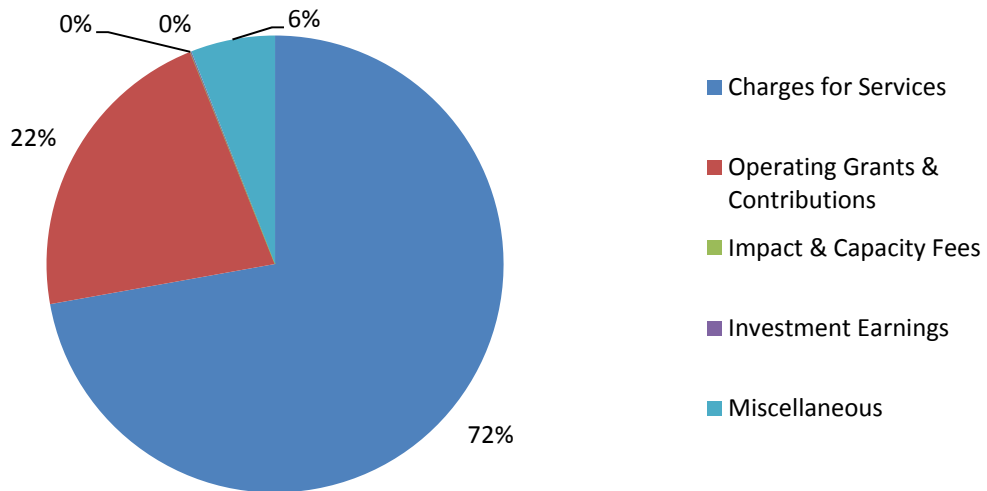
The following graph depicts the program revenues and expenses of the Town's business-type activities.

Program Revenues and Expenses Proprietary Fund



The following pie chart shows the revenue sources for the business-type activities of the Town.

Revenue Sources - Proprietary Funds



Financial Analysis of Town Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported ending fund balances of \$1,059,044 an increase of 3.84 percent or \$39,202. \$164,359 is restricted for capital projects, tourism, garbage payments, and victim assistance; leaving an unassigned balance of \$894,685.

Proprietary Funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Town has only one proprietary type fund which operates as an *enterprise fund* providing water and sewer services.

The total net position, of the proprietary fund, at the end of the fiscal year was \$9,070,042, an increase of 4 percent or \$355,215. Net position of \$1,360,075 is restricted for capital projects, debt service, and repairs. The investment in capital assets less accumulated depreciation and related debt is \$7,272,074, leaving a balance of \$437,893 in unrestricted net position.

General Fund Budgetary Highlights

The general fund revenues exceeded budgeted amounts by \$404,270 or 11.5 percent. These additional revenues were due to contributions of cash and capital from the police drug fund for expenditures of \$149,128 that exceeded the police budget, unbudgeted insurance reimbursement of \$73,913, and local option sales taxes in excess of budget in the amount of \$151,703. Expenditures on the budgetary basis exceeded budgeted amounts by \$367,518 or 10 percent and were mostly attributable to additional police expenditures. These over expenditures were in part due to the overages in the revenue budget and these overages were funded by the additional revenues received of \$149,000. The balance of over expenditures represented a reimbursement of DOJ funds in the amount of \$209,744.

Capital Assets and Debt Administration

Capital Assets

The Town of Ridgeland's capital assets for its governmental and business-type activities as of June 30, 2013, totals \$11,404,708 (net of depreciation). The following schedule details the capital assets, net of depreciation, at June 30, 2013 with a comparison to fiscal year ended June 30, 2012:

	Governmental Activities	Business-Type Activities	June 30, 2013 Total	June 30, 2012 Total
Construction in Progress	\$ 105,901	\$ 425,600	\$ 531,501	\$ 25,500
Land	1,204,394	1,242,158	2,446,552	2,446,553
Buildings and Improvements	562,296	80,095	642,391	666,087
Infrastructure	1,134,516	5,417,790	6,552,306	6,734,566
Machinery, Equipment, Vehicles	421,452	106,431	527,883	645,814
Recreational Parks	704,075	-	704,075	751,004
Total Capital Assets - net	<u>\$ 4,132,634</u>	<u>\$ 7,272,074</u>	<u>\$ 11,404,708</u>	<u>\$ 11,269,524</u>

Increases in capital assets in governmental activities were \$190,995 which included \$47,671 for streetlights, \$40,423 for the Kilmont Avenue project and 102,901 for the Harold Turpin Park Project. Depreciation expense for the year ended June 30, 2013 was \$306,607 compared to \$343,088 in the prior year.

Increases in capital assets in the proprietary fund were \$577,323 which included \$425,600 for construction in progress for the water tank, \$27,966 for a Ford truck, and \$8,022 for a mower, \$60,533 for the Logan Street Extension project, \$52,402 for the Moultrie Tract County Project, and \$2,800 for the fencing at Purg Station. Depreciation expense for the year ended June 30, 2013 was \$326,526 compared to \$322,968 in the prior year.

Long-Term Debt

At June 30, 2013 the Town has long-term debt in the amount of \$83,896 in the General Fund and \$0 in the Proprietary Fund. This represents a decrease in debt of \$59,430 in the General Fund and a decrease of \$93,897 in the Proprietary Fund. No new debt was incurred during the year ended June 30, 2013. The following schedule details the outstanding debt balances for the year ended June 30, 2013 with a comparison to fiscal year ended June 30, 2012:

	Governmental Activities	Business-Type Activities	June 30, 2013 Total	June 30, 2012 Total
Capital Leases	\$ 83,896	\$ -	\$ 83,896	\$ 143,326
Revenue Bonds	-	-	-	93,897
Total Long-Term Obligations	<u>\$ 83,896</u>	<u>\$ -</u>	<u>\$ 83,896</u>	<u>\$ 237,223</u>

Economic Factors and Next Year’s Budget

The Town of Ridgeland is the County Seat of Jasper County, South Carolina. Jasper and its neighboring county, Beaufort, are two of the fastest growing counties in the State. Jasper had a population increase of 123% from the year 2000 to 2008. Along with the County, the Town of Ridgeland is rapidly expanding. In geographical area, the Town has grown from under 4 square miles five years ago, to its current size of 45 square miles. Most of the land that was annexed is currently undeveloped, forested acreage. However, development agreements have been signed between the Town and the owners of most of the newly annexed land to allow for thousands of new homes and millions of square feet of commercial and industrial space. The Town’s budget must not only reflect maintaining the existing services it provides, but plan for the expansion of those services to accommodate for the new developments that have been approved. In the short term, the Town is facing the need for a new wastewater treatment facility and replacing many of our aging water service lines. Additionally, the Town will need new police and fire department facilities, including satellite offices and stations to serve the larger land area now incorporated into the Town. It is also anticipated that additional equipment and staff will be needed to handle approximately 100 acres in newly acquired municipal parklands. Despite the groundwork having been put in place that will eventually lead to substantial growth, the current economic climate indicates that it will be several years before any significant revenues are generated through agreed upon impact fees or tax revenues. The poor economic climate also means that now is an advantageous time to move forward with the purchase of land and the construction of buildings that will be needed to support growth. The Town shall continue to move forward taking advantage of every opportunity, within its budget, to have a positive impact on the quality of life of its citizens for today and tomorrow.

The 2013-2014 fiscal year budget was prepared as a part of the annual budget process. The total budget approved for the general fund for fiscal year ended June 30, 2014 is \$3,553,695 with tax millage remaining the same at 114.2 mills. This is compared with a budget of \$3,565,365 for the year ended June 30, 2013. The budget for the proprietary fund for fiscal year ended June 30, 2014 was set at \$1,503,500 as compared to \$1,499,000 for the year ended June 30, 2013. The proprietary fund budget is expected to be funded with water and sewer fees charged to customers.

Request for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Ridgeland, South Carolina, P. O. Box 1119, Ridgeland, SC 29936.

BASIC FINANCIAL STATEMENTS

TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2013

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 724,873	\$ 362,452	\$ 1,087,325
Accounts Receivable	648,324	149,833	798,157
Restricted Assets:			
Cash and Cash Equivalents	165,878	1,468,632	1,634,510
Capital Assets, not being depreciated	1,310,295	1,667,758	2,978,053
Capital Assets, being depreciated	2,822,339	5,604,316	8,426,655
Total Assets	5,671,709	9,252,991	14,924,700
LIABILITIES			
Accounts Payable	368,044	13,860	381,904
Payroll Liabilities	30,881	4,422	35,303
Accrued Expenses	-	18,000	18,000
Customer Deposits	1,519	113,329	114,848
Noncurrent Liabilities:			
Due within one year	80,195	3,340	83,535
Due after one year	181,080	29,998	211,078
Total Liabilities	661,719	182,949	844,668
NET POSITION			
Invested in Capital Assets, Net of Related Debt	4,048,738	7,272,074	11,320,812
Restricted for Capital projects	9,309	689,058	698,367
Restricted for Debt service	-	506,259	506,259
Restricted for Tourism	21,356	-	21,356
Restricted for Victim Assistance	133,694	-	133,694
Restricted for Repairs and Contingencies	-	164,758	164,758
Unrestricted	796,893	437,893	1,234,786
Total Net Position	\$ 5,009,990	\$ 9,070,042	\$ 14,080,032

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities:							
Administrative Services	\$ 710,111	\$ -	\$ -	\$ -	\$ (710,111)	\$ -	\$ (710,111)
General Services	389,900	-	-	-	(389,900)	-	(389,900)
Public Safety	2,486,664	628,335	149,128	-	(1,709,201)	-	(1,709,201)
Planning and Zoning	89,393	8,705	-	-	(80,688)	-	(80,688)
Tourism	235,937	-	-	11,674	(224,263)	-	(224,263)
Interest	2,361	-	-	-	(2,361)	-	(2,361)
Total Governmental Activities	<u>3,914,366</u>	<u>637,040</u>	<u>149,128</u>	<u>11,674</u>	<u>(3,116,524)</u>	<u>-</u>	<u>(3,116,524)</u>
Business-type Activities:							
Water	578,787	747,120	-	424,500	-	592,833	592,833
Sewer	648,499	661,011	-	-	-	12,512	12,512
Interest	3,001	-	-	-	-	(3,001)	(3,001)
Total Business-type Activities	<u>1,230,287</u>	<u>1,408,131</u>	<u>-</u>	<u>424,500</u>	<u>-</u>	<u>602,344</u>	<u>602,344</u>
Total Primary Government	<u>\$ 5,144,653</u>	<u>\$ 2,045,171</u>	<u>\$ 149,128</u>	<u>\$ 436,174</u>	<u>(3,116,524)</u>	<u>602,344</u>	<u>(2,514,180)</u>
General Revenues:							
Taxes:							
Property and Vehicle					672,251	-	672,251
Local Option Sales Tax					687,258	-	687,258
Hospitality					268,189	-	268,189
Accommodations					48,327	-	48,327
Penalties					3,118	-	3,118
Business License Fees					763,911	-	763,911
Grants and contributions not restricted					96,373	-	96,373
Investment Earnings					53	1,597	1,650
Miscellaneous					286,897	116,274	403,171
Transfers					365,000	(365,000)	-
Total General Revenues and Transfers					<u>3,191,377</u>	<u>(247,129)</u>	<u>2,944,248</u>
Change in Net Position					74,853	355,215	430,068
Net Position, Beginning of year					<u>4,935,137</u>	<u>8,714,827</u>	<u>13,649,964</u>
Net Position, Ending of year					<u>\$ 5,009,990</u>	<u>\$ 9,070,042</u>	<u>\$ 14,080,032</u>

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS		
Cash	\$ 724,873	\$ 724,873
Receivables, net	648,324	648,324
Restricted Assets:		
Cash	165,878	165,878
Total Assets	\$ 1,539,075	\$ 1,539,075
LIABILITIES		
Accounts Payable	\$ 368,044	\$ 368,044
Payroll Liabilities	30,881	30,881
Customer Deposits	1,519	1,519
Total Liabilities	400,444	400,444
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues-property taxes	79,587	79,587
Total Deferred Inflows of Resources	79,587	79,587
FUND BALANCES		
Restricted for Capital Projects	9,309	9,309
Restricted for Tourism	21,356	21,356
Restricted for Victim Assistance	133,694	133,694
Unassigned	894,685	894,685
Total Fund Balances	1,059,044	1,059,044
Total Liabilities and Fund Balances	\$ 1,539,075	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,132,634
Other long-term assets are not available to pay for current expenditures and, therefore, are reported as unavailable revenues in the funds.	79,587
Compensated absences are recognized when paid therefore they are not reported in the funds.	(177,379)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(83,896)
Net position of governmental activities	\$ 5,009,990

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

TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES		
Property Taxes	\$ 595,782	\$ 595,782
Hospitality and Accommodations Taxes	316,516	316,516
Fees and Fines	637,040	637,040
Intergovernmental	245,501	245,501
Local Option Sales Taxes	687,258	687,258
Business Licenses	763,911	763,911
Investment Earnings	53	53
Miscellaneous	286,897	286,897
Grant	11,674	11,674
Total Revenues	3,544,632	3,544,632
EXPENDITURES		
Current:		
Administrative Services	701,695	701,695
General Services	362,885	362,885
Public Safety	2,387,553	2,387,553
Tourism	71,120	71,120
Planning and Zoning	89,744	89,744
Capital Outlay	190,995	190,995
Debt Service		
Principal	59,430	59,430
Interest	7,008	7,008
Total Expenditures	3,870,430	3,870,430
Excess (Deficiency) of Revenues Over Expenditures	(325,798)	(325,798)
OTHER FINANCING SOURCES (USES)		
Transfers in	365,000	365,000
Total Other Financing Sources (Uses)	365,000	365,000
Net Change in Fund Balances	39,202	39,202
Fund balances, Beginning of year	1,019,842	1,019,842
Fund balances, Ending of year	\$ 1,059,044	\$ 1,059,044

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 39,202
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays in expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$190,996) and depreciation (\$306,607) differ in the current period.</p>	(115,611)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	79,587
<p>Governmental funds report compensated absences when paid, therefore current year accruals are not reported in the funds.</p>	12,245
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principle of long-term debt transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
<p>Capital lease principal payments</p>	<u>59,430</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 74,853</u></u>

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

TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>BUDGETED AMOUNT</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES				
Property Taxes	\$ 646,000	\$ 646,000	\$ 595,782	\$ (50,218)
Local Option Sales Taxes	535,555	535,555	687,258	151,703
Hospitality and Accommodations Taxes	283,500	283,500	316,516	33,016
Business Licenses	773,000	773,000	763,911	(9,089)
Fees and Fines	618,500	618,500	637,040	18,540
Intergovernmental	75,000	75,000	245,501	170,501
Investment Earnings	107	107	53	(54)
Miscellaneous	208,700	208,700	286,897	78,197
Grant	-	-	11,674	11,674
Total Revenues	<u>3,140,362</u>	<u>3,140,362</u>	<u>3,544,632</u>	<u>404,270</u>
EXPENDITURES				
Administrative Services	687,067	687,067	701,695	(14,628)
General Services	417,073	417,073	378,651	38,422
Public Safety	2,041,016	2,041,016	2,387,553	(346,537)
Tourism	245,000	245,000	312,787	(67,787)
Planning and Zoning	115,206	115,206	89,744	25,462
Total Expenditures	<u>3,505,362</u>	<u>3,505,362</u>	<u>3,870,430</u>	<u>(365,068)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(365,000)</u>	<u>(365,000)</u>	<u>(325,798)</u>	<u>39,202</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	365,000	365,000	365,000	-
Total Other Financing Sources and (Uses)	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	39,202	39,202
Fund Balances, Beginning of year	<u>1,019,842</u>	<u>1,019,842</u>	<u>1,019,842</u>	<u>-</u>
Fund Balances, Ending of year	<u>\$ 1,019,842</u>	<u>\$ 1,019,842</u>	<u>\$ 1,059,044</u>	<u>\$ 39,202</u>

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	WATER AND SEWER	TOTAL
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 362,452	\$ 362,452
Receivables, net	149,833	149,833
Restricted Assets:		
Cash and Cash Equivalents	1,468,632	1,468,632
Total Current Assets	<u>1,980,917</u>	<u>1,980,917</u>
Noncurrent Assets:		
Capital Assets:		
Non-depreciable:		
Land	1,242,158	1,242,158
Wastewater Expansion Project	425,600	425,600
Depreciable:		
Buildings and Improvements	95,647	95,647
Machinery, Equipment, and Automotive	351,616	351,616
Water and Sewer System	10,796,566	10,796,566
Less: Accumulated Depreciation	<u>(5,639,513)</u>	<u>(5,639,513)</u>
Total Noncurrent Assets	<u>7,272,074</u>	<u>7,272,074</u>
Total Assets	<u>9,252,991</u>	<u>9,252,991</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,860	13,860
Accrued Expenses	22,422	22,422
Customer Deposits	113,329	113,329
Compensated Absences - current portion	3,340	3,340
Total Current Liabilities	<u>152,951</u>	<u>152,951</u>
Noncurrent Liabilities:		
Compensated Absences	<u>29,998</u>	<u>29,998</u>
Total Noncurrent Liabilities	<u>29,998</u>	<u>29,998</u>
Total Liabilities	<u>182,949</u>	<u>182,949</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	7,272,074	7,272,074
Restricted for Capital Projects	689,058	689,058
Restricted for Debt Service	506,259	506,259
Restricted for Repairs and Contingencies	164,758	164,758
Unrestricted	437,893	437,893
Total Net Position	<u>\$ 9,070,042</u>	<u>\$ 9,070,042</u>

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

TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES	
	ENTERPRISE FUNDS	
	WATER AND SEWER	TOTAL
OPERATING REVENUES:		
Charges for Services	\$ 1,408,131	\$ 1,408,131
Miscellaneous	116,274	116,274
Total Operating Revenues	<u>1,524,405</u>	<u>1,524,405</u>
OPERATING EXPENSES:		
Personnel Services	361,546	361,546
Contractual Services	191,409	191,409
Utilities	148,048	148,048
Office Expense	16,996	16,996
Repairs and Maintenance	61,339	61,339
Supplies	86,908	86,908
Leases	10,500	10,500
Depreciation and Amortization	326,526	326,526
Other Operating Expenses	24,014	24,014
Total Operating Expenses	<u>1,227,286</u>	<u>1,227,286</u>
Operating Income (Loss)	<u>297,119</u>	<u>297,119</u>
NONOPERATING REVENUES (EXPENSES):		
Investment Income	1,597	1,597
Grant Income	424,500	424,500
Interest Expense	(3,001)	(3,001)
Total Nonoperating Revenues (Expenses)	<u>423,096</u>	<u>423,096</u>
Income (Loss) Before Transfers	720,215	720,215
Transfers Out	<u>(365,000)</u>	<u>(365,000)</u>
Change in Net Position	355,215	355,215
Total Net Position, Beginning of year	<u>8,714,827</u>	<u>8,714,827</u>
Total Net Position, End of year	<u>\$ 9,070,042</u>	<u>\$ 9,070,042</u>

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS	
	WATER AND SEWER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Users	\$ 1,522,315	\$ 1,522,315
Cash Paid to Suppliers	(582,380)	(582,380)
Cash Paid to and for Employees	(362,096)	(362,096)
Net Cash Provided (Used) by Operating Activities	<u>577,839</u>	<u>577,839</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Between Funds	(365,000)	(365,000)
Net Cash Provided (Used) by Financing Activities	<u>(365,000)</u>	<u>(365,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant Income	424,500	424,500
Acquisition and Construction of Capital Assets	(577,323)	(577,323)
Principal Paid on Debt	(93,897)	(93,897)
Interest Paid on Debt	(3,001)	(3,001)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(249,721)</u>	<u>(249,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,597	1,597
Net Cash Provided (Used) by Investing Activities	<u>1,597</u>	<u>1,597</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(35,285)	(35,285)
Cash and Cash Equivalents, Beginning of year	1,866,369	1,866,369
Cash and Cash Equivalents, End of year	<u>\$ 1,831,084</u>	<u>\$ 1,831,084</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 297,119	\$ 297,119
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	326,526	326,526
(Increase) Decrease in Current Assets:		
Accounts Receivable	(11,832)	(11,832)
Deferred Charges	5,592	5,592
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(56,845)	(56,845)
Accrued Expenses	8,087	8,087
Payroll Liabilities	(550)	(550)
Customer Deposits	9,742	9,742
Total Adjustments	<u>280,720</u>	<u>280,720</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 577,839</u>	<u>\$ 577,839</u>

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2013**

	POLICE DRUG FUND
ASSETS	
Cash and Cash Equivalents	\$ 111,965
Total Assets	\$ 111,965
LIABILITIES	
Due to others	\$ 111,965
Total Liabilities	\$ 111,965

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

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental* activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

Reporting Entity

The Town of Ridgeland was incorporated in 1900. The Town operates under a council form of government and provides the following services as authorized by its charter: Public safety – Police and Fire Protection, Water and Sewer Services, Tourism, Parks and Recreation, General Services, Administrative Services, and Planning and Zoning. The Town Council is composed of five elected officials; a mayor and four council members, one of which acts as mayor pro-tempore. The Council hires a town administrator that oversees the day-to-day operations of the Town. The Town Council acts as the governing body of the Town with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The Town has no discretely presented component units.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *water and sewer fund* accounts for the activities of the water and sewer operations. The Town operates the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The Town's fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 90 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt for acquisitions under capital leases are reported as other financing sources.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and enabling legislation) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Deposits and Investments

The Town considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased. Investments for the Town are reported at fair value determined annually based upon quoted market prices.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items,) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure assets with an initial, individual cost of \$50,000 are reported as capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities is not capitalized.

All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the Town's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Buildings	50
Vehicles	20 to 50
Furniture and Equipment	5 to 50

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then. The Government did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (expenses/expenditures) until then. The Government has only one type of item, which arises only under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position Flow Assumptions

Sometimes the Government will fund outlays for a particular purposes from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the Government will fund outlays for a particular purposes from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property taxes

Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – three percent, February 1 – an additional seven percent, March 16 – an additional five percent. If not paid by October 1, the property is subject to sale by the delinquent tax office. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The property tax rate approved by ordinance for fiscal year 2013 is 79.5 mills.

Compensated absences

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employ of the government and, upon separation from service, no monetary obligation exists.

Proprietary Fund Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

In accordance with the State of South Carolina General Statute, the Town prepares an annual balanced budget ordinance. The basis of budgeting is the same as generally accepted accounting principles. The Town adopts annual budgets for the general fund using the modified accrual basis. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements.

In March, the budget process begins with a special comprehensive work session in which the finance department and Town manager meet with all department heads to discuss current and future trends, needs and goals of the Town. All department heads submit comprehensive lists of programs, projects, and initiatives to be considered in the upcoming budget and meet with finance department staff and the administrator individually. During May and June, formal budget workshops are held. The Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

Budgets are prepared at the fund, function and department level. Budgets are adopted at the fund level and are amended as necessary during the fiscal year in one of two ways. First, the Town Manager delegated by Town Council, may make line item transfers within individual fund budgets with subsequent monthly notice to Town Council. Such transfers can neither increase nor decrease the overall budget at the fund level. Secondly, the budget may be increased or decreased at the fund level as changing circumstances dictate, subject to Town Council approval. There were no budget amendments during the year.

Excess of expenditures over appropriations - Actual expenditures exceeded appropriations in the general fund by \$365,068. These over expenditures were in part due to the overages in the revenue budget and these overages were funded by the additional revenues received of \$149,000. The balance of over expenditures represented a reimbursement of DOJ funds in the amount of \$209,744.

NOTE 3 DEPOSITS AND INVESTMENTS

Credit Risk – The Town has an investment policy that limits investment types to those approved by the South Carolina Code of Laws to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political subdivisions, certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian of a market value not less than the amount of the certificates of deposits so secured including interest, or repurchase agreements when collateralized by securities set forth above. Currently, the Town’s investments consist of deposits with the South Carolina Local Government Investment Pool (LIGP).

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the weighted average maturity of its investments to short-term investments in the South Carolina Local Investment Pool.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a formal investment policy to address custodial credit risk. The Town has a deposit policy for custodial credit risk. As of June 30, 2013, the bank balances were \$2,851,354. All of the Town’s deposits at year end were covered by federal depository insurance or by collateral held in the pledging financial institution’s trust department in the Town’s name. Therefore, none of the Town’s deposits were exposed to custodial credit risk at June 30, 2013.

At June 30, 2013 the Town had the following deposits and investments.

	<u>Fair Value</u>	<u>Rating</u>
Cash Equivalents		
Federal Prime Obligation Fund	\$ 13,110	Aaa/AAAm
Carrying value of cash in banks and on hand	2,838,244	
	<u>\$ 2,851,354</u>	

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3 DEPOSITS AND INVESTMENTS - CONTINUED

Restrictions on Cash and Investments

Cash and investments are restricted due to loan covenants and restrictions as to use. The amounts are as follows:

	General Fund	Proprietary Fund	Total
2003 Bond Trust Fund	\$ -	\$ 13,110	\$ 13,110
Depreciation Fund	-	245,674	245,674
Contingent Fund	-	247,175	247,175
RF Grant Expense	-	22,781	22,781
Water & Sewer Deposits	-	108,557	108,557
RF Grant Account	-	4,957	4,957
Garbage Deposits	1,519	-	1,519
Water Tank Repair	-	141,977	141,977
Impact Fees	-	684,101	684,101
Tourism Support	21,257	-	21,257
Accommodations tax	99	-	99
Victim Assistance	133,694	-	133,694
Veterans Memorial Park	9,309	-	9,309
Total Restrictions on Cash and Investments	<u>\$ 165,878</u>	<u>\$ 1,468,332</u>	<u>\$ 1,634,210</u>

NOTE 4 RECEIVABLES

Receivables as of the year end for the Town's Funds are as follows:

	General Fund	Proprietary Fund	Total
Property taxes	\$ 93,268	\$ -	\$ 93,268
Auto taxes	5,267	-	5,267
Accommodation taxes	20,457	-	20,457
Local option sales taxes	151,736	-	151,736
Business licenses	242,149	-	242,149
Grants receivable	149,128	-	149,128
Allowance for doubtful accounts	(13,681)	-	(13,681)
Water/ sewer billings	-	149,833	149,833
Total	<u>\$ 648,324</u>	<u>\$ 149,833</u>	<u>\$ 798,157</u>

All revenues are expected to be received within the criteria to be considered earned for governmental fund types; therefore, no amounts have been deferred in the governmental funds.

The allowance for doubtful accounts represents property taxes uncollected as of June 30, 2013.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 CAPITAL ASSETS

The following is a summary of changes in the capital assets during the year.

Governmental Activities	June 30, 2012	Increases	Decreases	June 30, 2013
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 1,204,394	\$ -	\$ -	\$ 1,204,394
Construction in progress	3,000	102,901	-	105,901
Total capital assets not being depreciated	<u>1,207,394</u>	<u>102,901</u>	<u>-</u>	<u>1,310,295</u>
<i>Capital assets being depreciated</i>				
Buildings	862,694	-	-	862,694
Improvements other than buildings	994,936	-	-	994,936
Machinery and equipment	1,544,750	-	-	1,544,750
Infrastructure	2,207,639	88,094	-	2,295,733
Total capital assets being depreciated	<u>5,610,019</u>	<u>88,094</u>	<u>-</u>	<u>5,698,113</u>
Less accumulated depreciation for:				
Buildings	278,351	22,047	-	300,398
Improvements other than buildings	243,932	46,929	-	290,861
Machinery and equipment	993,512	129,786	-	1,123,298
Infrastructure	1,053,372	107,845	-	1,161,217
Total accumulated depreciation	<u>2,569,167</u>	<u>306,607</u>	<u>-</u>	<u>2,875,774</u>
Total capital assets being depreciated, net	<u>3,040,852</u>	<u>(218,513)</u>	<u>-</u>	<u>2,822,339</u>
Governmental activities capital assets, net	<u>\$ 4,248,246</u>	<u>\$ (115,612)</u>	<u>\$ -</u>	<u>\$ 4,132,634</u>
Land and improvements	\$ 1,242,158	\$ -	\$ -	\$ 1,242,158
Construction in progress	22,500	425,600	22,500	425,600
Total capital assets not being depreciated	<u>1,264,658</u>	<u>425,600</u>	<u>22,500</u>	<u>1,667,758</u>
<i>Capital assets being depreciated</i>				
Buildings	95,647	-	-	95,647
Machinery and equipment	315,628	35,988	-	351,616
Infrastructure	10,658,333	138,233	-	10,796,566
Total capital assets being depreciated	<u>11,069,608</u>	<u>174,221</u>	<u>-</u>	<u>11,243,829</u>
Less accumulated depreciation for:				
Buildings	13,903	1,649	-	15,552
Machinery and equipment	221,050	24,135	-	245,185
Infrastructure	5,078,034	300,742	-	5,378,776
Total accumulated depreciation	<u>5,312,987</u>	<u>326,526</u>	<u>-</u>	<u>5,639,513</u>
Total capital assets being depreciated, net	<u>5,756,621</u>	<u>(152,305)</u>	<u>-</u>	<u>5,604,316</u>
Business-type activities capital assets, net	<u>\$ 7,021,279</u>	<u>\$ 273,295</u>	<u>\$ 22,500</u>	<u>\$ 7,272,074</u>

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Plant, buildings, etc., are depreciated over estimated useful lives of 20 to 66 years. Machinery and equipment are depreciated over estimated useful lives of 3 to 10 years.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to functions of the Town as follows:

<u>Governmental Activities</u>		<u>Business Type Activities</u>	
Administrative Services	\$ 15,026	Water Utilities	\$ 163,263
Public Safety		Sewer Utilities	163,263
Police	73,221		<u>\$ 326,526</u>
Fire	30,028		
General Services	27,751		
Tourism	160,169		
Planning and Zoning	412		
Total	<u>\$ 306,607</u>		

NOTE 6 DEFERRED CHARGES

The following is a summary of deferred charges:

	<u>Actual</u>	<u>Accumulative Amount Amortized</u>	<u>6/30/2013 Deferred Charges</u>	<u>Life of Debt</u>
Deferred Amount on Refinancing Series				
1991 Bonds	\$ 22,593	\$ 22,593	\$ -	10 years
Revenue Bond Issue Costs	33,329	33,329	-	10 years
	<u>\$ 55,922</u>	<u>\$ 55,922</u>	<u>\$ -</u>	

The discount and issue costs are being amortized over the life of the debt on a straight-line basis. The amount amortized in the year ended June 30, 2013 is \$5,592.

NOTE 7 LONG-TERM OBLIGATIONS

The long-term obligations consist of bonds, compensated absences, notes and capital leases in both the governmental-type and business-type activities of the Town.

The following is a summary of the long-term obligations transactions:

	<u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>Due Within A Year</u>
Governmental Activities					
Capital leases	\$ 143,326	\$ -	\$ 59,430	\$ 83,896	\$ 62,455
Compensated absences	189,624	-	12,245	177,379	17,740
Governmental Activities					
Long-term Obligations	<u>\$ 332,950</u>	<u>\$ -</u>	<u>\$ 71,675</u>	<u>\$ 261,275</u>	<u>\$ 80,195</u>
Business-type Activities:					
Revenue bonds	\$ 93,897	\$ -	\$ 93,897	\$ -	\$ -
Compensated absences	32,119	1,219	-	33,338	3,340
Business-type Activities					
Long-term Obligations	<u>\$ 126,016</u>	<u>\$ 1,219</u>	<u>\$ 93,897</u>	<u>\$ 33,338</u>	<u>\$ 3,340</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED

Governmental Type Activities:

Capital Leases

The following is a summary of capital lease transactions for the year ended June 30, 2013.

	<u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>Due Within A Year</u>
Oshkosh Capital	\$ 94,318	\$ -	\$ 46,025	\$ 48,293	\$ 48,293
Wells Fargo	49,008	-	13,405	35,603	14,162
Total	<u>\$ 143,326</u>	<u>\$ -</u>	<u>\$ 59,430</u>	<u>\$ 83,896</u>	<u>\$ 62,455</u>

Capital lease with Oshkosh Capital for the purchase of a fire truck, payable in annual installments of \$50,770.35 including interest at 4.929 % beginning on August 15, 2007 for a period of seven years. The balance due on this lease at June 30, 2013 is \$48,293.

Capital lease with Wells Fargo for the purchase of a street sweeper, payable in monthly installments of \$1,313.87 including interest at 5.5% beginning December 15, 2009 for a period of five years. The balance due on this lease at June 30, 2013 is \$35,603.

The assets acquired through capital leases are as follows:

Fire truck	\$ 293,965
Street sweeper	81,287
Less: accumulated depreciation	(156,457)
Net book value	<u>\$ 218,795</u>

The annual requirements to amortize the leases payable, as described in the preceding paragraphs at June 30, 2013 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 62,455	\$ 3,983	\$ 66,438
2015	14,961	806	15,767
2016	6,480	90	6,570
Total	<u>\$ 83,896</u>	<u>\$ 4,879</u>	<u>\$ 88,775</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 LONG-TERM OBLIGATIONS -CONTINUED

Business-Type Activities:

The following is a summary of loan and bond transactions for the year ended June 30, 2013.

	<u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>Due Within A Year</u>
BB&T Revenue Bonds	\$ 93,897	\$ -	\$ 93,897	\$ -	\$ -
Total	<u>\$ 93,897</u>	<u>\$ -</u>	<u>\$ 93,897</u>	<u>\$ -</u>	<u>\$ -</u>

BB&T – Town of Ridgeland, South Carolina, Revenue Bonds, Series 2003 of \$800,000, dated 05-23-03 with an interest rate of 3.69% due in quarterly installments of \$24,288.75 including interest beginning on July 23, 2003 and ending on April 23, 2013. Secured by a lien on the system and the net revenues superior to all other liens except for prior notes to the SC State Budget and Control Board–Loan No. 001-89-416-02. This loan was paid off during the year ended June 30, 2013.

The total interest paid out of the business-type activities for the year was \$3,633.

Compensated Absences

Regular employees of the Town are entitled to vacation/personal leave as follows:

<u>Years Continuous Service</u>	<u>Number of Days</u>
After 6 months thru 5 years	22
After 5 years thru 10 years	24
After 10 years thru 20 years	27
After 20 years thru 50 years	30

Each day of leave consists of one eight hour period.

All regular employees who are separated from service will be paid for all accrued vacation/personal leave days up to a maximum of 30 days and/or 240 hours.

All vacation/personal leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only to the extent they are payable from current resources.

Regular employees can accrue sick leave at a rate of 1 day per month. Sick leave days can be accumulated to a maximum of 40 days. Upon termination or retirement any unused sick leave is lost; therefore, sick leave is not recorded as an expenditure until paid.

Compensated absences are paid from the General Fund for the governmental activities and from the Water and Sewer Fund for the business-type activities. The accrued compensated absences at June 30, 2013 are \$177,379 and \$33,338 respectively, and include 16.66% and 15.70%, respectively, for employee benefits.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 8 PENSION PLAN OBLIGATIONS

Plan Description - As a condition of employment, all eligible Town employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS) administered by the Retirement Division of the State Budget and Control Board. Retirement costs are funded by withholding from the employees' salaries, and by a contribution from the Town of a percentage of the employees' salaries. Both Retirement Systems are administered by the South Carolina Retirement System, which is a state agency. The Town has no fiduciary responsibility for or further liability for either of the retirement plans beyond their current contributions. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers' Retirement System may be obtained by writing to the South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211.

Funding Policy

South Carolina Retirement System (SCRS)

The Town is required to contribute 10.45 percent which includes 0.15 percent towards group life insurance. The Town's contributions for the years ending June 30, 2013, 2012, and 2011 were \$88,962, \$78,035, and \$89,886, respectively, and were equal to the required contributions for each year.

Police Officers Retirement System (PORS)

The Town is required to contribute 11.09 percent which includes 0.40 percent towards group life insurance and survivor and disability benefits. The Town's contributions for the years ending June 30, 2013, 2012, and 2011 were \$145,073, \$147,296, and \$155,509, respectively, for SCPORS members and were equal to the required contributions for each year.

NOTE 9 RISK MANAGEMENT

The Town purchases various insurance policies providing coverage of workers compensation, tort, property and casualty, and health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits.

The State of South Carolina itself assumes substantially all risks, through a state risk pool, for the following:

1. Claims of covered public employees for health and dental insurance benefits. The insurance carrier is Blue Cross Blue Shield, administered by the State Office of Insurance Services.
2. Claims of covered public employees for long-term disability and group life insurance benefits (South Carolina Retirement System and State Accident Fund).
3. Property and casualty insurance on equipment and vehicles owned by the Town of Ridgeland, as well as tort liability on the Town's employees (South Carolina Insurance Reserve Fund).

The Town's only responsibility under the state's insurance pool is to pay the premiums due.

The Town has recorded insurance premium expenditures in the applicable functional expenditure categories. These expenditures do not include estimated claim losses and estimated premium adjustments. There have been no significant reductions in insurance coverage since the prior year. The amounts of settlements have not exceeded coverage in each of the past three years.

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 10 CONTINGENCIES AND COMMITMENTS

There are various claims pending against the Town. In the opinion of Town management, none of these claims are expected to exceed applicable insurance coverage.

The Town has entered into lease purchase agreements of approximately \$60,000 for vehicles and equipment subsequent to the year end.

NOTE 11 GRANTS

The Town received financial assistance from numerous federal, state and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Town; however, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund type's herein or overall financial position of the Town at June 30, 2013. During the year the Town received \$11,674 in the General Fund and \$424,500 in the Water and Sewer Fund.

NOTE 12 INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

The Water and Sewer Fund budgeted and actually transferred \$365,000 to the General Fund.

NOTE 13 FUND BALANCES AND NET POSITION

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

In the Government-Wide Financial Statements, net position is classified in the following categories:

Invested in capital assets, net of related debt - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category. The capital assets and related debt are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets	\$ 7,008,407	\$ 12,911,587	\$ 19,919,994
Accumulated depreciation	(2,875,773)	(5,639,513)	(8,515,286)
Capital leases	(83,896)	-	(83,896)
Revenue Bonds	-	-	-
Total	<u>\$ 4,048,738</u>	<u>\$ 7,272,074</u>	<u>\$ 11,320,812</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 13 FUND BALANCES AND NET POSITION – CONTINUED

Restricted Net Position – This category represents the net position of the Town, which is restricted by external parties (creditors, grantors, contributors, or laws and regulations). The restricted net position is as follows:

	Governmental Activities	Business-type Activities	Total
Restricted for Capital Projects	\$ 9,309	\$ 689,058	\$ 698,367
Restricted for Debt Service	-	506,259	506,259
Restricted for Tourism	21,356	-	21,356
Restricted for Victim Assistance	133,694	-	133,694
Restricted for Repairs and Contingencies	-	164,758	164,758
Total	<u>\$ 164,359</u>	<u>\$ 1,360,075</u>	<u>\$ 1,524,434</u>

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose. The unrestricted net position is as follows:

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 796,893	\$ 437,893	\$ 1,234,786
Total	<u>\$ 796,893</u>	<u>\$ 437,893</u>	<u>\$ 1,234,786</u>

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The categories and their general meanings are as follows:

Restricted fund balance – Indicates that portion of fund balance that is not available for appropriation or which has been legally segregated for specific purposes. At June 30, 2013 the restricted fund balance in the General Fund is \$164,359.

Unassigned fund balance – Indicates that portion of fund equity which is available for appropriation and expenditure in future periods. At June 30, 2013, the unassigned fund balance in the General Fund is \$894,685.

SUPPLEMENTARY INFORMATION

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Property Taxes			
Property Taxes	\$ 587,000	\$ 525,146	\$ (61,854)
Penalties	8,000	3,118	(4,882)
Motor Vehicle Taxes	51,000	67,518	16,518
Sub-total Property Taxes	<u>646,000</u>	<u>595,782</u>	<u>(50,218)</u>
Hospitality and Accommodations Taxes			
Accommodations Tax	38,500	48,327	9,827
Tourism Support Fees	245,000	268,189	23,189
Sub-total Hospitality and Accommodations Taxes	<u>283,500</u>	<u>316,516</u>	<u>33,016</u>
Fees and Fines			
Municipal Court	560,000	582,124	22,124
Planning and Zoning Fees	23,500	8,705	(14,795)
Victims Assistance Fees	35,000	46,211	11,211
Sub-total Fees and Fines	<u>618,500</u>	<u>637,040</u>	<u>18,540</u>
Intergovernmental			
Aid to Sub-divisions - State	75,000	96,373	21,373
Operating Contributions from Police Department	-	149,128	149,128
Sub-total Intergovernmental	<u>75,000</u>	<u>245,501</u>	<u>170,501</u>
Local Option Sales Tax	535,555	687,258	151,703
Business Licenses	773,000	763,911	(9,089)
Investment Earnings	107	53	(54)
Miscellaneous	208,700	286,897	78,197
Grant	-	11,674	11,674
Total Revenues	<u>3,140,362</u>	<u>3,544,632</u>	<u>404,270</u>
OTHER FINANCING SOURCES (USES)			
Transfers in Water and Sewer Fund	365,000	365,000	-
Total Other Financing Sources (Uses)	<u>365,000</u>	<u>365,000</u>	<u>-</u>
Total Revenues	<u>\$ 3,505,362</u>	<u>\$ 3,909,632</u>	<u>\$ 404,270</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Administrative Services			
Town Operations			
Salaries	\$ 225,789	\$ 233,843	\$ (8,054)
FICA and Medicare	17,273	17,916	(643)
Workman's Compensation	1,500	1,200	300
Group Health - Life Insurance	31,000	36,076	(5,076)
Retirement	23,934	25,047	(1,113)
Unemployment Expenses	3,000	5,216	(2,216)
Travel, Training, and Subsistence	2,500	1,175	1,325
Fuel for Vehicles	6,000	6,817	(817)
Repairs and Maintenance on Vehicles	2,000	1,006	994
Communications, Postage, and Telephone	22,000	23,227	(1,227)
Electricity, Water, and Gas	70,000	85,135	(15,135)
Printing and Advertising	6,000	5,267	733
Subscriptions, Dues, Library, and Contributions	3,000	1,218	1,782
Services and Service Contracts	50,000	48,592	1,408
Repairs and Maintenance of Equipment	1,000	871	129
Materials and Supplies	12,450	12,180	270
Property Insurance	100,000	119,366	(19,366)
Miscellaneous	2,000	3,320	(1,320)
Contingency Fund	3,000	1,030	1,970
Court Costs	6,000	-	6,000
Capital Outlay:			
Furniture and Fixtures	3,000	-	3,000
Office Equipment	2,000	-	2,000
Other Improvement Projects	10,000	-	10,000
Total Town Operations Expenditures	<u>\$ 603,446</u>	<u>\$ 628,502</u>	<u>\$ (25,056)</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Town Council			
Salaries	\$ 33,600	\$ 32,550	\$ 1,050
FICA and Medicare	2,571	2,214	357
Workman's Compensation	600	224	376
Group Health - Life Insurance	10,650	11,565	(915)
Retirement	1,700	2,347	(647)
Travel, Training, and Subsistence	5,000	1,318	3,682
Communications, Postage, and Telephone	1,000	-	1,000
Printing and Advertising	1,000	343	657
Subscriptions, Dues, Library, and Contributions	5,000	1,050	3,950
Services and Service Contracts	2,000	3,700	(1,700)
Materials and Supplies	500	59	441
Miscellaneous	3,000	2,046	954
Contingency Fund	1,000	550	450
State Accommodations	16,000	15,227	773
Total Town Council Expenditures	<u>83,621</u>	<u>73,193</u>	<u>10,428</u>
Total Administrative Services	<u>\$ 687,067</u>	<u>\$ 701,695</u>	<u>\$ (14,628)</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
General Services			
Salaries	\$ 161,499	\$ 165,239	\$ (3,740)
Special Salaries	-	1,166	(1,166)
FICA and Medicare	12,355	12,492	(137)
Workman's Compensation	8,300	6,961	1,339
Group Health-life Insurance	29,000	32,619	(3,619)
Retirement	17,119	17,554	(435)
Uniforms	2,500	2,104	396
Travel, Training, and Subsistence	500	107	393
Fuel for Vehicles	16,000	14,828	1,172
Repairs and Maintenance on Vehicles	5,000	1,906	3,094
Buildings and Fixed Equipment	5,000	-	5,000
Communications, Postage, and Telephone	2,500	2,441	59
Electricity, Water, and Gas	29,000	24,777	4,223
Printing and Advertising	300	-	300
Subscriptions, Dues, Library, and Contributions	400	160	240
Services and Service Contracts	55,000	43,193	11,807
Repairs and Maintenance of Equipment	12,000	5,771	6,229
Materials and Supplies	40,000	29,260	10,740
Animal Control	2,000	55	1,945
Miscellaneous	2,000	1,752	248
Contingency Fund	600	500	100
Debt Service:			
Note Principal	16,000	13,407	2,593
Note Interest	-	2,359	(2,359)
Total General Services Expenditures	\$ 417,073	\$ 378,651	\$ 38,422

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Public Safety			
Police Department			
Salaries	\$ 569,673	\$ 614,923	\$ (45,250)
Special Salaries	55,000	80,329	(25,329)
FICA and Medicare	47,787	52,140	(4,353)
Workman's Compensation	30,000	24,351	5,649
Group Health-life Insurance	99,944	102,715	(2,771)
Retirement	76,258	82,499	(6,241)
Uniforms	6,000	7,674	(1,674)
Travel, Training, and Subsistence	10,000	5,820	4,180
Fuel for Vehicles	60,000	107,188	(47,188)
Repairs and Maintenance on Vehicles	25,000	37,127	(12,127)
Communications, Postage, and Telephone	17,000	20,229	(3,229)
Utilities	-	4,523	(4,523)
Printing and Advertising	1,500	1,129	371
Subscriptions, Dues, Library, and Contributions	500	-	500
Services and Service Contracts	8,700	9,429	(729)
Repairs and Maintenance on Equipment	1,500	2,301	(801)
Materials and Supplies	12,000	8,920	3,080
Miscellaneous	1,000	212,549	(211,549)
Dispatch Expense	55,250	55,000	250
Contingency Funds	6,500	1,500	5,000
Animal Control	1,000	1,281	(281)
Total Police Department Expenditures	<u>\$ 1,084,612</u>	<u>\$ 1,431,627</u>	<u>\$ (347,015)</u>

TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Fire Department			
Salaries - Regular	\$ 440,648	\$ 448,337	\$ (7,689)
Salaries - Special	27,000	30,923	(3,923)
FICA and Medicare	35,775	34,899	876
Workman's Compensation	27,000	21,973	5,027
Group Health- life Insurance	86,000	92,180	(6,180)
Retirement	57,520	57,661	(141)
Uniforms	5,000	4,554	446
Travel, Training, and Subsistence	9,300	11,344	(2,044)
Fuel for Vehicles	14,000	14,573	(573)
Repairs and Maintenance on Vehicles	10,000	19,404	(9,404)
Communications, Postage, and Telephone	4,700	5,026	(326)
Electricity, Water, and Gas	7,000	6,468	532
Printing and Advertising	200	337	(137)
Subscriptions, Dues, Library, and Contributions	1,000	534	466
Service and Service Contracts	6,500	7,076	(576)
Repairs and Maintenance of Equipment	7,000	6,341	659
Materials and Supplies	2,500	3,763	(1,263)
Miscellaneous	2,500	2,698	(198)
Contingency Fund	1,500	1,100	400
Capital Outlay:			
Office Equipment	1,000	-	1,000
Buildings and Fixed Equipment	2,000	-	2,000
Total Fire Department Expenditures	\$ 748,143	\$ 769,191	\$ (21,048)

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Judicial			
Salaries - Regular	\$ 135,612	\$ 135,430	\$ 182
FICA and Medicare	10,374	9,558	816
Workman's Compensation	600	71	529
Group Health- life Insurance	16,000	16,412	(412)
Retirement	14,375	14,714	(339)
Travel, Training, and Subsistence	7,000	3,247	3,753
Communications, Postage, and Telephone	1,000	1,197	(197)
Subscriptions, Dues, Library, and Contributions	300	-	300
Services and Service Contracts	18,600	4,543	14,057
Materials and Supplies	900	665	235
Miscellaneous	300	78	222
Contingency Fund	200	300	(100)
Court Costs	3,000	520	2,480
Total Judicial Expenditures	<u>208,261</u>	<u>186,735</u>	<u>21,526</u>
Total Public Safety Expenditures	<u>2,041,016</u>	<u>2,387,553</u>	<u>(346,537)</u>
Tourism			
Printing and Advertising	20,000	14,000	6,000
Services and Service Contracts	-	16,204	(16,204)
Repairs and Maintenance of Equipment	-	12,925	(12,925)
Materials and Supplies	-	25,767	(25,767)
Miscellaneous	1,000	2,224	(1,224)
Capital Outlay:			
Other Improvement Projects	173,000	190,995	(17,995)
Debt Service:			
Principal	51,000	46,023	4,977
Interest	-	4,649	(4,649)
Total Tourism Expenditures	<u>\$ 245,000</u>	<u>\$ 312,787</u>	<u>\$ (67,787)</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Planning and Zoning			
Salaries - Regular	\$ 63,345	\$ 63,345	\$ -
FICA and Medicare	4,846	4,584	262
Workman's Compensation	500	419	81
Group Health- life Insurance	11,000	11,502	(502)
Retirement	6,715	6,672	43
Travel, Training, and Subsistence	2,000	163	1,837
Fuel for Vehicles	500	-	500
Communications, Postage, and Telephone	1,000	-	1,000
Subscriptions, Dues, Lib., Ads, Cont.	-	125	(125)
Printing and Advertising	500	-	500
Service and Service Contracts	20,000	1,919	18,081
Materials and Supplies	1,800	815	985
Miscellaneous	500	-	500
Contingency Fund	500	200	300
Court Costs	2,000	-	2,000
Total Planning and Zoning	<u>115,206</u>	<u>89,744</u>	<u>25,462</u>
Total Expenditures	<u>3,505,362</u>	<u>3,870,430</u>	<u>(365,068)</u>
Net Change in Fund Balances	-	39,202	39,202
Fund Balances, Beginning of year	<u>1,019,842</u>	<u>1,019,842</u>	<u>-</u>
Fund Balances, Ending of year	<u>\$ 1,019,842</u>	<u>\$ 1,059,044</u>	<u>\$ 39,202</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
 PROPRIETARY FUND - WATER AND SEWER
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Charges for Services			
Water	\$ 720,000	\$ 703,834	\$ (16,166)
Sewer	720,000	641,906	(78,094)
Administrative Charges and Penalties	40,000	43,286	3,286
Connection Fees	7,000	9,080	2,080
Cut-off Fees	5,000	10,025	5,025
Total Charges For Services	<u>1,492,000</u>	<u>1,408,131</u>	<u>(83,869)</u>
Miscellaneous	<u>6,000</u>	<u>116,274</u>	<u>110,274</u>
Total Operating Revenues	<u>1,498,000</u>	<u>1,524,405</u>	<u>26,405</u>
NON-OPERATING REVENUES			
Investment Income	1,000	1,597	597
Grant Income	<u>-</u>	<u>424,500</u>	<u>424,500</u>
Total Non-operating Revenues	<u>1,000</u>	<u>426,097</u>	<u>425,097</u>
Total Revenues	<u>\$ 1,499,000</u>	<u>\$ 1,950,502</u>	<u>\$ 451,502</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
 PROPRIETARY FUND - WATER AND SEWER
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
WATER DEPARTMENT - EXPENSES			
Personnel:			
Salaries	\$ 121,093	\$ 121,139	\$ (46)
FICA and Medicare	9,264	9,187	77
Workman's Compensation	18,000	14,272	3,728
Group Health-life Insurance	18,000	19,258	(1,258)
Retirement	12,836	12,893	(57)
Total Personnel	<u>179,193</u>	<u>176,749</u>	<u>2,444</u>
Operations:			
Uniforms	1,500	1,433	67
Travel, Training, and Subsistence	3,000	1,014	1,986
Fuel for Vehicles	6,000	4,182	1,818
Repairs and Maintenance on Vehicles	2,000	2,743	(743)
Communications, Postage, and Telephone	5,000	5,934	(934)
Electricity, Water, and Gas	35,000	31,993	3,007
Printing and Advertising	1,200	2,103	(903)
Dues and Subscriptions	2,000	1,853	147
Services and Service Contracts	75,000	106,484	(31,484)
Repairs and Maintenance of Equipment	5,000	20,003	(15,003)
Materials and Supplies	50,000	56,831	(6,831)
Miscellaneous	1,500	1,106	394
Contingency Fund	500	300	200
Capital Outlay:			
Autos and Automotive Equipment	27,000	-	27,000
Office Equipment	1,500	-	1,500
Other Capital Outlays	12,500	-	12,500
Outlay Construction	51,919	-	51,919
Amortization of Loan Issuance Costs	-	1,666	(1,666)
Amortization of Loan Refinancing Costs	-	1,130	(1,130)
Depreciation	-	163,263	(163,263)
Total Operations	<u>280,619</u>	<u>402,038</u>	<u>(121,419)</u>
Nonoperating Expenses			
Interest	50,000	-	50,000
Transfers to General Fund	227,500	227,500	-
Total Nonoperating Expenses	<u>277,500</u>	<u>227,500</u>	<u>50,000</u>
Total Water Department	<u>\$ 737,312</u>	<u>\$ 806,287</u>	<u>\$ (68,975)</u>

TOWN OF RIDGELAND, SOUTH CAROLINA
PROPRIETARY FUND - WATER AND SEWER
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
SEWER DEPARTMENT - EXPENSES			
Personnel:			
Salaries	\$ 127,197	\$ 129,697	\$ (2,500)
Special Salaries	7,000	5,923	1,077
FICA and Medicare	10,266	10,235	31
Workman's Compensation	7,800	5,293	2,507
Group Health-life Insurance	18,000	19,253	(1,253)
Retirement	14,225	14,396	(171)
Total Personnel	<u>184,488</u>	<u>184,797</u>	<u>(309)</u>
Operations:			
Uniforms	1,500	1,433	67
Travel, Training, and Subsistence	2,000	954	1,046
Fuel for Vehicles	10,000	6,383	3,617
Repairs and Maintenance on Vehicles	3,000	2,558	442
Communications, Postage and Telephone	4,500	4,358	142
Electricity, Water, and Gas	100,000	116,055	(16,055)
Printing and Advertising	700	1,103	(403)
Dues and Subscriptions	1,000	1,645	(645)
Services and Service Contracts	60,000	84,925	(24,925)
Repairs and Maintenance of Equipment	25,000	36,035	(11,035)
Materials and Supplies	25,000	30,077	(5,077)
Miscellaneous	1,800	1,317	483
Contingency Fund	500	300	200
Turf Farm Lease	10,500	10,500	-
Capital Outlay:			
Office Equipment	1,200	-	1,200
Machinery and Equipment	20,000	-	20,000
Other Improvement Projects Expenses	70,000	-	70,000
Outlay Construction	53,000	-	53,000
Amortization of Loan Issuance Costs	-	1,666	(1,666)
Amortization of Loan refinancing costs	-	1,130	(1,130)
Depreciation	-	163,263	(163,263)
Total Operations	<u>389,700</u>	<u>463,702</u>	<u>(74,002)</u>
Non Operating Expense:			
Interest	50,000	3,001	46,999
Transfers to General Fund	137,500	137,500	-
Total Nonoperating Expenses	<u>187,500</u>	<u>140,501</u>	<u>46,999</u>
Total Sewer Department	<u>761,688</u>	<u>789,000</u>	<u>(27,312)</u>
Change in Net Position	-	355,215	355,215
Net Position, Beginning of year	<u>8,714,827</u>	<u>8,714,827</u>	<u>-</u>
Net Position, End of year	<u>\$ 8,714,827</u>	<u>\$ 9,070,042</u>	<u>\$ 355,215</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
 AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2013**

	POLICE DRUG FUND			
	<u>BALANCE</u> <u>JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
ASSETS				
Cash and Cash Equivalents	\$ 51,211	\$ 103,200	\$ 42,446	\$ 111,965
Total Assets	<u>\$ 51,211</u>	<u>\$ 103,200</u>	<u>\$ 42,446</u>	<u>\$ 111,965</u>
LIABILITIES				
Due to Others	\$ 51,211	\$ 103,200	\$ 42,446	\$ 111,965
Total Liabilities	<u>\$ 51,211</u>	<u>\$ 103,200</u>	<u>\$ 42,446</u>	<u>\$ 111,965</u>

**TOWN OF RIDGELAND, SOUTH CAROLINA
GENERAL FUND
SUPPLEMENTAL SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2013**

COURT FINES

Total Court Fines Collected	\$ 1,226,048
Court Assessments Remitted to the State Treasurer	(443,119)
Court Surcharges Remitted to the State Treasurer	(257,441)
Court Assessments/Surcharges Allocated to Victim Services	<u>(61,639)</u>
Court Fines Retained by Town	<u>\$ 463,849</u>

Victim Services

Court Assessments Allocated to Victim Services	\$ 55,693
Court Surcharges Allocated to Victim Services	<u>5,946</u>
Funds Allocated to Victim Services	<u>\$ 61,639</u>

VICTIM SERVICES

Carry Forward from Fiscal Year Ended June 30, 2012	128,484
Funds Allocated to Victim Services	63,711
Less: Victim Service Expenditures	<u>(58,500)</u>
Funds Available for Carry Forward	<u>\$ 133,695</u>

COMPLIANCE SECTION



CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

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BEAUFORT • MOUNT PLEASANT

Richard D. Crowley, CPA, CVA
Lisa T. Wechsler, CPA

Member:
American Institute of CPAs
South Carolina Association of CPAs

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

To the Mayor and Town Council
Town of Ridgeland, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Ridgeland (the Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: 2013-01.

P. O. BOX 481
2015 BOUNDARY ST. · SUITE 311
BEAUFORT, SC 29901
TEL 843.379.1065 · FAX 843.379.1066

P. O. BOX 2569
941 HOUSTON NORTHCUTT BLVD.
MOUNT PLEASANT, SC 29465
TEL 843.971.0882 · FAX 843.971.0884

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items : 2013-1

Purpose of this Report

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



Crowley Wechsler & Associates LLC
Beaufort, South Carolina
January 22, 2014