

**COUNTY OF EDGEFIELD
SOUTH CAROLINA**

**REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

**COUNTY OF EDGEFIELD
EDGEFIELD, SOUTH CAROLINA**

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COUNTY ADMINISTRATOR

LYNN STROM

**COUNTY OF EDGEFIELD
EDGEFIELD, SOUTH CAROLINA**

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INDEPENDENT AUDITOR'S REPORT

Edgefield County Council
Edgefield, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Edgefield, South Carolina (the "County") as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements of the County's primary government, as listed in the table of contents. These financial statements are the responsibility of the County of Edgefield's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements do not include financial data for the County's legally separate component unit – Edgefield County Hospital. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component unit. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component unit would have been presented as approximately \$7,187,000, \$2,795,000, \$4,392,000, \$11,761,000, and \$11,878,000, respectively.

In our opinion, because of the omission of the discretely presented component unit as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the discretely presented component unit of the County of Edgefield, South Carolina as of June 30, 2012, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Edgefield, South Carolina, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 on our consideration of the County of Edgefield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 37-42, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Edgefield, South Carolina's basic financial statements as a whole. The combining fund financial statements, schedule of fines and assessments, and schedule of legal debt margin are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The combining fund financial statements, schedule of fines and assessments, and schedule of legal debt margin have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 fund financial statements, schedule of fines and assessments, and schedule of legal debt margin are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina
October 25, 2012

Elliott Davis, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of County of Edgefield's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2012 by \$25.2 million (net assets). Of this amount \$4.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County issued one new general obligation bond in the amount of \$750 thousand during the year. In addition, they repaid \$394 thousand of bond and capital lease payables during the year.
- The County's total net assets increased over the course of this year's operations. Net assets of our business-type activities increased \$132 thousand, while the net assets of our governmental activities increased \$511 thousand.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8.6 million, an increase of \$550 thousand from the prior year.
- At the end of the current fiscal year, the County's unassigned fund balance for the general fund was \$3.6 million or 44% of general fund expenditures for the fiscal year.
- In the County's business-type activities, revenues increased 10.1 percent or \$154 thousand while operating expenses increased 3.9 percent or \$77 thousand.
- The general fund actual revenues were \$451 thousand or 5.8 percent more than budgeted. Also, general fund actual expenditures were \$28 thousand or 1.0 percent more than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the landfill.
 - *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

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

Figure A-1
Major Features of County of Edgefield’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds) and the County’s component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Activities the County operates similar to private businesses: the landfill.	Instances in which the County is the agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

- *Governmental activities* - Most of the County’s basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.

- *Business-type activities* - The County charges fees to customers to help it cover the costs of certain services it provides. The County's landfill is included here.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
 - In fact, the County's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities, but provides more detail and additional information, such as cash flows.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities' resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's *combined* net assets increased between fiscal years 2011 and 2012 by 2.6 percent to approximately \$25.2 million. (See Table A-1.)

Table A-1
County of Edgefield's Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2011	2012	2011	2012	2011	2012	2011-2012
Current and other assets	\$ 8,861	\$ 9,675	\$ 1,782	\$ 2,153	\$ 10,643	\$ 11,828	11.1%
Capital assets	13,844	14,192	1,837	1,604	15,681	15,796	0.7%
Total assets	22,705	23,867	3,619	3,757	26,324	27,624	4.9%
Long-term debt outstanding	1,248	1,609	-	-	1,248	1,609	28.9%
Other liabilities	455	745	60	66	515	811	57.5%
Total liabilities	1,703	2,354	60	66	1,763	2,420	37.3%
Net assets							
Invested in capital assets, net of related debt	12,949	13,350	1,837	1,604	14,786	14,954	1.1%
Restricted	4,416	4,839	509	510	4,925	5,349	8.6%
Unrestricted	3,637	3,324	1,213	1,577	4,850	4,901	1.1%
Total net assets	<u>\$ 21,002</u>	<u>\$ 21,513</u>	<u>\$ 3,559</u>	<u>\$ 3,691</u>	<u>\$ 24,561</u>	<u>\$ 25,204</u>	2.6%

Net assets of our business-type activities increased by 3.7 percent to \$3.7 million. The net assets of our governmental activities increased 2.4 percent to \$21.5 million. This is primarily attributable to an increase in recycling commodities and grant revenues.

Changes in net assets. The County's total revenues increased by 0.8 percent to \$15.7 million. (See Table A-2.) 45 percent of the County's revenue comes from property taxes. Approximately 28 percent of revenues are from fees charged for services, and 19 percent is from state and federal funds received. State and federal fund revenues received increased \$53 thousand as compared to the prior year.

The total cost of all programs and services increased by \$197 thousand or 1.3% as compared to prior year. The County's expenses cover a range of services, with about 34 percent related to public safety.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities decreased 0.2 percent or \$36 thousand, while total expenses increased 0.9 percent or \$120 thousand compared to prior year.

Table A-2
County of Edgefield's Changes in Net Assets
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2011-2012
	2011	2012	2011	2012	2011	2012	
Revenues							
Program revenues:							
Charges for services	\$ 2,668	\$ 2,828	\$ 1,508	\$ 1,589	\$ 4,176	\$ 4,417	5.8%
Grants and contributions	2,879	2,865	12	79	2,891	2,944	1.8%
General revenues:							
Property taxes	6,872	7,092	-	-	6,872	7,092	3.2%
Other taxes	108	120	-	-	108	120	11.1%
Intergovernmental	945	831	-	-	945	831	-12.1%
Other	557	257	11	17	568	274	-51.8%
Total revenues	<u>\$ 14,029</u>	<u>\$ 13,993</u>	<u>\$ 1,531</u>	<u>\$ 1,685</u>	<u>\$ 15,560</u>	<u>\$ 15,678</u>	0.8%
Expenses							
General government	\$ 445	\$ 520	\$ -	\$ -	\$ 445	\$ 520	16.9%
Staff agencies	1,481	1,437	-	-	1,481	1,437	-3.0%
Finance agencies	694	635	-	-	694	635	-8.5%
Building maintenance	267	264	-	-	267	264	-1.1%
Public safety	5,040	5,054	-	-	5,040	5,054	0.3%
Public works	1,726	1,770	-	-	1,726	1,770	2.5%
Health and social services	1,686	1,736	-	-	1,686	1,736	3.0%
Nondepartmental	1,510	1,549	-	-	1,510	1,549	2.6%
Interest and fiscal charges	37	41	-	-	37	41	10.8%
Landfill	-	-	1,953	2,030	1,953	2,030	3.9%
Total expenses	<u>\$ 12,886</u>	<u>\$ 13,006</u>	<u>\$ 1,953</u>	<u>\$ 2,030</u>	<u>\$ 14,839</u>	<u>\$ 15,036</u>	1.3%
Increase (decrease) in net assets before transfers	\$ 1,143	\$ 987	\$ (422)	\$ (345)	\$ 721	\$ 642	-11.0%
Transfers	(498)	(477)	498	477	-	-	0.0%
Increase in net assets	<u>\$ 645</u>	<u>\$ 510</u>	<u>\$ 76</u>	<u>\$ 132</u>	<u>\$ 721</u>	<u>\$ 642</u>	-11.0%

Governmental revenues decreased \$36 thousand or 0.3 percent largely due to cuts in state and federal revenues received. Property tax collections increased \$220 thousand or 3.2 percent as compared to the prior year.

BUSINESS-TYPE ACTIVITIES

Revenues of the County's business-type activities increased 10.1 percent to \$1.7 million, while expenses increased 3.9 percent to \$2.0 million. (Refer to Table A-2.) Factors contributing to these results included:

- Increased grant funds received.
- Occurrence of expenditures in 2012 relating to the preparation for the expansion of the transfer station.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$8.6 million. This year's governmental fund balances increased \$550 thousand or 6.9 percent over the prior year.

General Fund Budgetary Highlights

Actual general fund budgeted expenditures were \$28 thousand or 1.0 percent more than budget amounts. This is primarily the result of certain budgeted hiring freezes that were subsequently voted to be filled. Additionally, janitorial services were budgeted to be done in-house, but subsequently it was decided to extend the existing contract for these services.

On the other hand, resources available for appropriation were \$451 thousand or 5.8 percent above the budgeted amount. As noted earlier:

- Property taxes were more than expected.
- State and federal revenues received, fines, and fees were more than expected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the County had invested \$15.8 million (net of accumulated depreciation) in a broad range of capital assets. (See Table A-3.) This amount represents a net increase (including additions, deductions and depreciation) of \$114 thousand, or 0.7 percent, as compared to the prior year.

Table A-3
County of Edgefield's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental		Business-type		Total		Total Percentage Change 2011-2012
	Activities		Activities				
	2011	2012	2011	2012	2011	2012	
Land	\$ 598	\$ 598	\$ 28	\$ 28	\$ 626	\$ 626	0.0%
Construction in progress	-	805	-	-	-	805	100%
Buildings and improvements	8,258	8,258	440	440	8,698	8,698	0.0%
Furniture, fixtures and equipment	5,608	5,715	2,483	2,455	8,091	8,170	1.0%
Infrastructure	15,442	15,577	-	-	15,442	15,577	0.9%
Accumulated depreciation	(16,062)	(16,761)	(1,113)	(1,319)	(17,175)	(18,080)	5.3%
Total net capital assets	<u>\$ 13,844</u>	<u>\$ 14,192</u>	<u>\$ 1,838</u>	<u>\$ 1,604</u>	<u>\$ 15,682</u>	<u>\$ 15,796</u>	0.7%

This year's major capital asset additions included:

- \$805 thousand in construction in progress additions
- \$79 thousand in additions of equipment.
- \$135 thousand in infrastructure additions.

More detailed information about the County's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-term Debt

At year-end the County had \$1.6 million in bonds, capital lease and annual leave obligations outstanding - an increase of 28.9 percent from last year - as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 5 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8.0 percent of the assessed value of all taxable property within the County's legal limits. Our outstanding debt is significantly below this limit - which is currently \$5.9 million as reflected in Table 1 of this report on page 64.

Table A-4
County of Edgefield's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2011-2012
	2011	2012	2011	2012	2011	2012	
General obligation bonds	\$ 597	\$ 1,177	\$ -	\$ -	\$ 597	\$ 1,177	97.2%
Capital lease obligations	299	75	-	-	299	75	-74.9%
Annual leave obligations	352	357	-	-	352	357	1.4%
Total	\$ 1,248	\$ 1,609	\$ -	\$ -	\$ 1,248	\$ 1,609	28.9%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 9.4 percent, compared to 10.1 percent a year ago. This compares favorably with the state's rate of 9.4 percent and unfavorably with the national rate of 8.2 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2013. Amounts available for appropriation in the general fund budget are estimated at nearly \$8.5 million, an increase of 4.0 percent over the actual 2012 revenues of \$ 8.2 million.

Budgeted general fund expenditures are expected to increase nearly 4.4 percent to \$8.5 million over the actual 2012 expenditures of \$8.2 million.

If these estimates are realized, the County's budgetary general fund balance is expected to end relatively unchanged at the close of fiscal year 2013.

As for the County's business-type activities, budgeted revenues and transfers in of the Tri-County Solid Waste Authority for fiscal year 2013 total \$2.4 million, an increase of 11.5 percent over actual 2012 revenues and transfers in of \$2.2 million, due to the expansion of the transfer station. Budgeted expenditures for 2013 match the budgeted revenues.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Crystal Coleman, Edgefield County Finance Director, 124 Courthouse Square, Edgefield, South Carolina 29824, or visit the County website at www.edgefieldcounty.sc.gov.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$ 7,991,333	\$ 1,511,552	\$ 9,502,885
Restricted cash and equivalents	-	510,179	510,179
Receivables (net):			
Taxes	480,479	-	480,479
Accounts	487,238	136,454	623,692
Other	3,500	-	3,500
Due from other governments	707,171	-	707,171
Internal balances	5,526	(5,526)	-
Capital assets not being depreciated:			
Land	597,643	27,535	625,178
Construction in process	804,787	-	804,787
Capital assets being depreciated:			
Buildings and improvements	8,258,143	440,486	8,698,629
Furniture, fixtures, and equipment	5,714,981	2,455,017	8,169,998
Infrastructure assets	15,577,859	-	15,577,859
Less accumulated depreciation	<u>(16,761,417)</u>	<u>(1,318,785)</u>	<u>(18,080,202)</u>
Total capital assets, net of depreciation	<u>14,191,996</u>	<u>1,604,253</u>	<u>15,796,249</u>
Total assets	<u>23,867,243</u>	<u>3,756,912</u>	<u>27,624,155</u>
LIABILITIES			
Accounts payable	594,904	65,919	660,823
Accrued wages and benefits	140,403	-	140,403
Accrued interest payable	10,086	-	10,086
Long-term liabilities:			
Due within one year	446,286	-	446,286
Due in more than one year	<u>1,162,277</u>	<u>-</u>	<u>1,162,277</u>
Total liabilities	<u>2,353,956</u>	<u>65,919</u>	<u>2,419,875</u>
NET ASSETS			
Invested in capital assets net of related debt	13,350,275	1,604,253	14,954,528
Restricted for:			
Debt service	327,691	-	327,691
Special revenue	3,951,408	-	3,951,408
Capital projects	525,718	510,179	1,035,897
Building maintenance	34,048	-	34,048
Unrestricted	<u>3,324,147</u>	<u>1,576,561</u>	<u>4,900,708</u>
Total net assets	<u>\$ 21,513,287</u>	<u>\$ 3,690,993</u>	<u>\$ 25,204,280</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u>	<u>C Funds</u>	<u>EMS</u>	<u>911 Surcharge</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 3,448,261	\$ 1,940,392	\$ 657,534	\$ 226,012	\$ 319,656	\$ 1,399,478	\$ 7,991,333
Due from other funds	82,660	-	-	-	3,649	58,234	144,543
Receivables (net):							
Taxes	388,873	-	55,647	-	23,461	12,498	480,479
Accounts	-	-	165,965	4	-	321,269	487,238
Other	3,500	-	-	-	-	-	3,500
Due from other governments	<u>515,987</u>	<u>75,923</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>115,059</u>	<u>707,171</u>
Total assets	<u>\$ 4,439,281</u>	<u>\$ 2,016,315</u>	<u>\$ 879,146</u>	<u>\$ 226,016</u>	<u>\$ 346,968</u>	<u>\$ 1,906,538</u>	<u>\$ 9,814,264</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 253,033	\$ 83,312	\$ 21,835	\$ 4,544	\$ -	\$ 232,180	\$ 594,904
Due to other funds	58,232	-	25,642	21,254	-	33,889	139,017
Accrued wages and benefits	140,403	-	-	-	-	-	140,403
Deferred revenue - Property taxes	<u>311,751</u>	<u>-</u>	<u>45,682</u>	<u>-</u>	<u>19,277</u>	<u>10,263</u>	<u>386,973</u>
Total liabilities	<u>763,419</u>	<u>83,312</u>	<u>93,159</u>	<u>25,798</u>	<u>19,277</u>	<u>276,332</u>	<u>1,261,297</u>
FUND BALANCES							
Restricted	34,048	1,933,003	785,987	200,218	327,691	1,557,918	4,838,865
Committed	60,953	-	-	-	-	72,288	133,241
Unassigned	<u>3,580,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,580,861</u>
Total fund balances	<u>3,675,862</u>	<u>1,933,003</u>	<u>785,987</u>	<u>200,218</u>	<u>327,691</u>	<u>1,630,206</u>	<u>8,552,967</u>
Total liabilities and fund balances	<u>\$ 4,439,281</u>	<u>\$ 2,016,315</u>	<u>\$ 879,146</u>	<u>\$ 226,016</u>	<u>\$ 346,968</u>	<u>\$ 1,906,538</u>	<u>\$ 9,814,264</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

Total fund balances - Governmental funds	<u>\$ 8,552,967</u>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Land	597,643
Construction in process	804,787
Buildings and improvements	8,258,143
Furniture, fixtures, and equipment	5,714,981
Infrastructure assets	15,577,859
Accumulated depreciation	<u>(16,761,417)</u>
Total capital assets	<u>14,191,996</u>
<p>Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.</p>	
Property taxes	<u>386,973</u>
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>	
General obligation debt	(1,177,100)
Capital leases payable	(74,817)
Accrued interest	(10,086)
Compensated absences	<u>(356,646)</u>
Total long-term liabilities	<u>(1,618,649)</u>
Net assets of governmental activities	<u><u>\$ 21,513,287</u></u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2012

	General	C Funds	EMS	911 Surcharge	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 5,746,125	\$ -	\$ 809,769	\$ -	\$ 388,457	\$ 634,461	\$ 7,578,812
Licenses, permits, and fees	441,989	-	-	-	-	-	441,989
Intergovernmental	1,583,659	963,551	-	146,855	-	365,570	3,059,635
Charges for services	13,469	-	543,941	-	-	1,177,799	1,735,209
Fines and forfeits	192,076	-	-	-	-	-	192,076
Local funds	-	-	-	-	-	756,538	756,538
Interest	16,115	6,279	1,770	904	919	3,281	29,268
Other	228,137	-	-	-	-	-	228,137
Total revenues	<u>8,221,570</u>	<u>969,830</u>	<u>1,355,480</u>	<u>147,759</u>	<u>389,376</u>	<u>2,937,649</u>	<u>14,021,664</u>
EXPENDITURES							
Current							
General government	501,175	-	-	-	-	-	501,175
Staff agencies	1,388,673	-	-	-	-	-	1,388,673
Finance agencies	606,533	-	-	-	-	-	606,533
Public safety	3,675,012	-	-	124,519	-	1,175,149	4,974,680
Public works	94,347	769,872	-	-	-	865,997	1,730,216
Health and social services	82,853	-	1,331,907	-	-	244,490	1,659,250
Building maintenance	264,135	-	-	-	-	-	264,135
Nondepartmental	1,453,102	-	-	-	-	96,337	1,549,439
Capital outlay	70,996	-	-	150,238	-	412,394	633,628
Debt service:							
Bond issuance costs	-	-	-	-	-	5,000	5,000
Principal retirement	48,909	-	-	-	345,134	-	394,043
Interest and fiscal charges	6,457	-	-	-	31,310	-	37,767
Total expenditures	<u>8,192,192</u>	<u>769,872</u>	<u>1,331,907</u>	<u>274,757</u>	<u>376,444</u>	<u>2,799,367</u>	<u>13,744,539</u>
Excess of revenues over (under) expenditures	<u>29,378</u>	<u>199,958</u>	<u>23,573</u>	<u>(126,998)</u>	<u>12,932</u>	<u>138,282</u>	<u>277,125</u>
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	750,000	750,000
Transfers in	231,094	-	-	-	-	317,199	548,293
Transfers out	<u>(185,897)</u>	<u>(131,302)</u>	<u>(15,560)</u>	<u>-</u>	<u>-</u>	<u>(692,351)</u>	<u>(1,025,110)</u>
Total other financing sources (uses)	<u>45,197</u>	<u>(131,302)</u>	<u>(15,560)</u>	<u>-</u>	<u>-</u>	<u>374,848</u>	<u>273,183</u>
Net change in fund balances	74,575	68,656	8,013	(126,998)	12,932	513,130	550,308
Fund balances, beginning of year	<u>3,601,287</u>	<u>1,864,347</u>	<u>777,974</u>	<u>327,216</u>	<u>314,759</u>	<u>1,117,076</u>	<u>8,002,659</u>
Fund balances, end of year	<u>\$ 3,675,862</u>	<u>\$ 1,933,003</u>	<u>\$ 785,987</u>	<u>\$ 200,218</u>	<u>\$ 327,691</u>	<u>\$ 1,630,206</u>	<u>\$ 8,552,967</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2012

Net change in fund balances - Total government funds	\$ 550,308
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>	
Capital outlay	1,292,795
Depreciation expense	<u>(945,294)</u>
Excess of capital outlay over (under) depreciation expense	<u>347,501</u>
<p>Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues increased by this amount in the current year.</p>	
	<u>(28,097)</u>
<p>Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:</p>	
General obligation bonds	<u>(750,000)</u>
<p>Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:</p>	
Bond principal retirement	170,175
Capital lease principal payments	<u>223,868</u>
Total long-term debt repayment	<u>394,043</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>	
	<u>(4,906)</u>
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>	
	<u>1,957</u>
Change in net assets of government activities	<u><u>\$ 510,806</u></u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
PROPRIETARY FUND
TRI-COUNTY SOLID WASTE AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS

Cash and cash equivalents	\$ 1,511,552
Restricted cash and equivalents	510,179
Accounts receivable	136,454
Capital assets	
Land	27,535
Buildings and improvements	440,486
Furniture, fixtures, and equipment	2,455,017
Accumulated depreciation	<u>(1,318,785)</u>
Total assets	<u>3,762,438</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	65,919
Due to other funds	<u>5,526</u>
Total liabilities	<u>71,445</u>

NET ASSETS

Invested in capital assets, net of related debt	1,604,253
Restricted	510,179
Unrestricted	<u>1,576,561</u>
Total net assets	<u>\$ 3,690,993</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND
TRI-COUNTY SOLID WASTE AUTHORITY
For the year ended June 30, 2012

OPERATING REVENUES	
User charges - Other governments	\$ 553,746
Landfill user charges - Other	<u>1,035,573</u>
Total operating revenues	<u>1,589,319</u>
OPERATING EXPENSES	
Salaries and fringe benefits	386,178
Costs of services	1,380,367
Depreciation	<u>263,712</u>
Total operating expenses	<u>2,030,257</u>
Operating loss	(440,938)
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental revenues	79,462
Gain on sale of capital assets	10,901
Interest income	<u>5,673</u>
Net loss before transfers	(344,902)
TRANSFERS IN	491,817
TRANSFERS OUT	<u>(15,000)</u>
Change in net assets	131,915
NET ASSETS, BEGINNING OF YEAR	<u>3,559,078</u>
NET ASSETS, END OF YEAR	<u><u>\$ 3,690,993</u></u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
TRI-COUNTY SOLID WASTE AUTHORITY
For the year ended June 30, 2012

OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,526,942
Payments to suppliers	(1,374,262)
Payments to employees	<u>(386,178)</u>
Net cash used for operations	<u>(233,498)</u>
NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	491,817
Transfers to other funds	<u>(13,328)</u>
Net cash provided by noncapital financing activities	<u>478,489</u>
INVESTING ACTIVITIES	
Maturities of investments	43,127
Interest income	<u>5,673</u>
Net cash provided by investing activities	<u>48,800</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental revenues	79,462
Acquisition of capital assets	(82,086)
Proceeds from sale of capital assets	<u>62,485</u>
Net cash provided by capital and related financing activities	<u>59,861</u>
Net increase in cash and cash equivalents	353,652
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,668,079</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,021,731</u>
Reconciliation of operating loss to net cash used for	
Operating activities	
Operating loss	\$ (440,938)
Adjustments to reconcile operating loss to net cash used for operations	
Depreciation	263,712
Changes in deferred and accrued amounts	
Accounts receivable	(62,377)
Accounts payable	<u>6,105</u>
Net cash used for operating activities	<u>\$ (233,498)</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

ASSETS	
Cash and cash equivalents	\$ 3,252,038
Property taxes receivable	1,068,203
Due from other governments	<u>435,406</u>
 Total assets	 <u>\$ 4,755,647</u>
 LIABILITIES	
Due to other governments	5,306
Due to other taxing districts and agencies	<u>4,750,341</u>
 Total liabilities	 <u>\$ 4,755,647</u>

The accompanying notes are an integral part of these basic financial statements.

COUNTY OF EDGEFIELD, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Edgefield operates under a council-administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), road maintenance, health and social services, and general administrative services.

The primary government financial statements of the County of Edgefield have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

BASIS OF PRESENTATION

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

Government-wide financial statements

The statement of net assets and the statement of activities display information about the County as a primary government. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

The *general fund* is the government'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 *C fund* accounts for intergovernmental funds received from the state that are restricted to improve and repair the County road systems.

The *EMS fund* is a special revenue fund of the County. It is used to account for the activities of the County's emergency medical services.

The *911 surcharge fund* is a special revenue fund of the County. It is used to account for the accumulation of resources from 911 surcharges.

The *debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The County reports the following major enterprise funds:

The *Tri – County Solid Waste Authority fund* accounts for the activities of the County's landfill operations.

Additionally, the government reports the following fund types:

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. Resources restricted to expenditure for purposes normally financed from the general fund may be accounted for through the general fund provided that applicable legal requirements can be appropriately satisfied; and use of special revenue funds is not required unless they are legally mandated.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Agency fund

The agency fund accounts for monies held on behalf of school districts, special districts and other agencies that use the County as a depository or property taxes are collected on behalf of the other governments.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's landfill function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise fund are charges to customers for sales and services. 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 nonoperating revenues and expenses.

MEASUREMENT FOCUS

Government-wide financial statements

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

Fund financial statements

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Deferred revenue

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

Property taxes for which there is an enforceable legal claim as of year end, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Expenses/expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budget

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Administrator. The Council approves any additional appropriations and transfers between departments. During the year, the Council made several supplementary budget appropriations, which increased general fund estimated revenues available.

The budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

The County has an appropriated budget for the enterprise funds but is not required to report budgetary comparisons in the financial statements.

Cash and investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
4. Repurchase agreements when collateralized by securities as set forth in this section;

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

5. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Investments are stated at fair value; except that repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

The County Treasurer co-mingles cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average monthly fund balances for the fiscal year. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds considered temporarily surplus. This practice does not apply to certain funds earmarked for specific purposes, such as the school bond fund.

Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Trade accounts receivable consist primarily of emergency medical services receivable which amounts in excess of ninety days are included in the allowance for uncollectibles. The property tax receivable allowance is equal to two percent of outstanding property taxes at June 30, 2012.

Intergovernmental receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Inventories and prepaid assets

The County has no significant inventories. The cost is recorded as an expenditure at the time individual inventory items are purchased. The County expenses charges that cover more than one year in the year the expenditure is made and does not record any portion as prepaid asset.

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements.

Use of estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the modified accelerated cost recovery method over the following useful lives:

Infrastructure	35 years
Buildings and improvements	15 to 30 years
Furniture, fixtures, and equipment	3 to 10 years

Net assets/Fund balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

The County has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority. Assigned fund balances is a limitation imposed by a designee of the County.

Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The County Council is the County's highest level of decision making. The County Council can establish, modify or rescind a fund balance commitments through adoption of a resolution or ordinance. The County Manager has the authority to assign fund balance amounts to a specific purpose, the County Manager is appointed by, and serves at the pleasure of, the County Council.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the County considers the expenditures to be used in this respective order.

The County Council has set a General Fund maximum unassigned fund balance target at 3 months of budgeted current operating expenditures and a minimum unassigned fund balance target of 2 months of that amount.

Reporting Entity

Edgefield County, South Carolina – the primary government – is a political subdivision of the State of South Carolina. Component units are legally separate entities that meet one of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County, or (3) the financial statements would be misleading if data from the entity were not included. Legally separate entities, referred to as component units, are not included in this report.

Discretely presented component unit excluded from the reporting entity

Edgefield County Hospital

The Hospital's Board of Directors selects management staff, establishes budgets, and controls all aspects of the operation of the Hospital. The County does levy and collect property taxes on behalf of the Hospital and disburses such funds as payment on County bond obligations issued for the Hospital. The County does not hold title to any of the Hospital's assets, nor does it have any right to the Hospital's surpluses.

Subsequent events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through October 25, 2012, the date the financial statements were available for issuance.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash on hand consists of a checking account which has an overnight investment sweep agreement with the financial institution.

At June 30, 2012, the carrying amount of the County's deposits was \$3,542,584 and the bank balance was \$2,838,934. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust department in the County's name. Petty cash funds of \$650 are reflected as cash on the general fund balance sheet.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

Investments

As of June 30, 2012, the County had the following investments:

<u>June 30, 2012</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Maturities</u>
South Carolina local government investment pool	<u>\$ 9,721,868</u>	<u>\$ 9,721,868</u>	No maturity

Interest rate risk

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

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. As of June 30, 2012, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer.

NOTE 3 - PROPERTY TAXES

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period.

(Continued)

NOTE 3 - PROPERTY TAXES, Continued

The County bills and collects its own property taxes, and also collects taxes for the Rural Fire Districts and the School District. Collections of the County taxes and remittance of them to the Districts are accounted for in the agency funds.

Also, the County collects taxes for surrounding municipalities. The amount collected but not remitted at June 30, 2012 was \$4,186 for surrounding municipalities.

Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Property taxes receivable as of year end for the government's individual major funds, nonmajor funds in the aggregate and agency funds including the applicable allowance for uncollectible accounts are as follows:

	<u>General</u>	<u>Emergency Medical Service</u>	<u>Debt Service</u>	<u>Non Major Governmental</u>	<u>Agency</u>
Property taxes receivable	\$ 396,809	\$ 56,783	\$ 23,940	\$ 12,753	\$ 1,089,826
Less: Allowance	<u>(7,936)</u>	<u>(1,136)</u>	<u>(479)</u>	<u>(255)</u>	<u>(21,623)</u>
Net taxes receivable	<u><u>\$ 388,873</u></u>	<u><u>\$ 55,647</u></u>	<u><u>\$ 23,461</u></u>	<u><u>\$ 12,498</u></u>	<u><u>\$ 1,068,203</u></u>

NOTE 4 - CAPITAL ASSETS

Primary Government capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2012</u>
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 597,643	\$ -	\$ -	\$ -	\$ 597,643
Construction in process	<u>-</u>	<u>804,787</u>	<u>-</u>	<u>-</u>	<u>804,787</u>
Total capital assets at historical cost not being depreciated	<u>597,643</u>	<u>804,787</u>	<u>-</u>	<u>-</u>	<u>1,402,430</u>
Capital assets being depreciated					
Infrastructure	15,442,557	135,302	-	-	15,577,859
Building and improvements	8,258,143	-	-	-	8,258,143
Furniture, fixtures and equipment	<u>5,607,734</u>	<u>352,706</u>	<u>(245,459)</u>	<u>-</u>	<u>5,714,981</u>
Total capital assets at historical cost being depreciated	<u>29,308,434</u>	<u>488,008</u>	<u>(245,459)</u>	<u>-</u>	<u>29,550,983</u>
Less accumulated depreciation for:					
Infrastructure	(7,606,719)	(348,844)	-	-	(7,955,563)
Buildings, improvements and equipment	<u>(8,454,863)</u>	<u>(596,450)</u>	<u>245,459</u>	<u>-</u>	<u>(8,805,854)</u>
Total accumulated depreciation	<u>(16,061,582)</u>	<u>(945,294)</u>	<u>245,459</u>	<u>-</u>	<u>(16,761,417)</u>
Total capital assets being depreciated, net	<u>13,246,852</u>	<u>(457,286)</u>	<u>-</u>	<u>-</u>	<u>12,789,566</u>
Governmental activities capital assets, net	<u><u>\$ 13,844,495</u></u>	<u><u>\$ 347,501</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,191,996</u></u>

(Continued)

NOTE 4 - CAPITAL ASSETS, Continued

Depreciation expense was charged to functions as follows:

General Government	\$ 18,905
Staff Agencies	47,265
Finance Agencies	28,359
Public Safety	245,776
Public Works	529,365
Health and Social Services	<u>75,624</u>
 Total Governmental Activities Depreciation Expense	 <u><u>\$ 945,294</u></u>

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 27,535	\$ -	\$ -	\$ 27,535
Capital assets being depreciated				
Buildings and improvements	440,486	-	-	440,486
Furniture, fixtures and equipment	<u>2,482,687</u>	<u>82,086</u>	<u>(109,756)</u>	<u>2,455,017</u>
Total capital assets at historical cost being depreciated	<u>2,923,173</u>	<u>82,086</u>	<u>(109,756)</u>	<u>2,895,503</u>
Less accumulated depreciation	<u>(1,113,245)</u>	<u>(263,712)</u>	<u>58,172</u>	<u>(1,318,785)</u>
Total capital assets being depreciated, net	<u>1,809,928</u>	<u>(181,626)</u>	<u>(51,584)</u>	<u>1,576,718</u>
Business-type activities capital assets, net	<u><u>\$ 1,837,463</u></u>	<u><u>\$ (181,626)</u></u>	<u><u>\$ (51,584)</u></u>	<u><u>\$ 1,604,253</u></u>

NOTE 5 - LONG-TERM DEBT

Bonds payable at June 30, 2012 are comprised of the following individual issues:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Amounts due within one year</u>
General obligation bonds					
\$196,400 2004 General Obligation Bond of Edgefield County due in annual installments of \$21,404- \$24,572 for principal and interest through April 2013, interest at 3.85%	\$ 42,000	\$ -	\$ 21,000	\$ 21,000	\$ 21,000
\$208,000 2004A General Obligation Bond of Edgefield County due in annual installments of \$13,812 - \$29,810 for principal and interest through April 2014, interest at 3.85%	49,275	-	22,675	26,600	13,300
\$500,000 2005A General Obligation Hospital bonds due in annual installments of \$51,735 - \$68,651 for principal and interest through March 2015, interest at 3.47%	200,000	-	50,000	150,000	50,000
\$765,000 2005B General Obligation bonds due in annual installments of \$79,269 - \$101,424 for principal and interest through March 2015, interest at 3.62%	306,000	-	76,500	229,500	76,500
\$750,000 2011 General Obligation bonds due in annual installments of \$182,376 - \$192,986 for principal and interest through July 2015, interest at 2.01%	-	750,000	-	750,000	182,376
	<u><u>\$ 597,275</u></u>	<u><u>\$ 750,000</u></u>	<u><u>\$ 170,175</u></u>	<u><u>\$ 1,177,100</u></u>	<u><u>\$ 343,176</u></u>

(Continued)

NOTE 5 - LONG-TERM DEBT, Continued

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2012, including interest payments, are as follows:

Year ending June 30,	General obligation bonds		
	Principal	Interest	Total
2013	343,176	29,834	\$ 373,010
2014	325,255	20,930	346,185
2015	315,683	12,186	327,869
2016	192,986	3,879	196,865
	<u>\$ 1,177,100</u>	<u>\$ 66,829</u>	<u>\$ 1,243,929</u>

Debt service funds of \$327,691 are available to service the general obligation bonds.

In accordance with the South Carolina Constitution, the County is allowed to incur general obligations (general purpose) bonded indebtedness in an amount not exceeding eight percent of the assessed value of all taxable property of the County. Based on the taxable assessed property valuation net of exemptions of \$74,186,279 (unaudited), the legal debt limit is \$5,934,902, leaving a legal debt margin of \$5,085,493 as of June 30, 2012.

The general obligation bonds are secured by a pledge of the full faith, credit and taxing power of the County.

Changes in long-term debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2012:

	Lease obligations		Estimated long-term liability for annual leave	General obligation bonds
	Enterprise fund	Governmental funds		
Payable at July 1, 2011	\$ -	\$ 298,685	\$ 351,740	\$ 597,275
Amounts incurred	-	-	55,594	750,000
Amounts retired	-	(223,868)	(50,688)	(170,175)
Payable at June 30, 2012	<u>\$ -</u>	<u>\$ 74,817</u>	<u>\$ 356,646</u>	<u>\$ 1,177,100</u>
Amounts due within one year	<u>\$ -</u>	<u>\$ 52,110</u>	<u>\$ 51,000</u>	<u>\$ 343,176</u>

NOTE 6 - INTERFUND ASSETS AND LIABILITIES

The balances of interfund receivables and payables at June 30, 2012 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	EMS	\$ 25,642
General Fund	Enterprise Fund-Landfill	5,526
General Fund	911 Surcharge	21,254
General Fund	Nonmajor Governmental	<u>30,238</u>
		<u>\$ 82,660</u>
Nonmajor Governmental	General Fund	\$ 58,234
		<u>\$ 58,234</u>
Debt Service	Nonmajor Governmental	\$ 3,649
		<u>\$ 3,649</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30, 2012 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2012 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 200,534
General Fund	EMS	15,560
General Fund	Enterprise Fund - Landfill	<u>15,000</u>
		<u>231,094</u>
Nonmajor Governmental	General Fund	185,897
Nonmajor Governmental	C-Funds	<u>131,302</u>
		<u>317,199</u>
Total governmental fund transfers in		<u>\$ 548,293</u>
Enterprise Fund - Landfill	Nonmajor Governmental	<u>\$ 491,817</u>

NOTE 7 - FUND BALANCES

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2012, are as follows:

	General Fund	C Funds	EMS	911 Surcharge	Debt Service	Other Nonmajor Funds	Total
Fund balances;							
Restricted for:							
Building maintenance	34,048	-	-	-	-	-	34,048
Public works	-	1,933,003	-	-	-	504,836	2,437,839
Health/social services	-	-	785,987	-	-	93,497	879,484
Public safety	-	-	-	200,218	-	408,074	608,292
Industrial development	-	-	-	-	-	25,793	25,793
Debt service	-	-	-	-	327,691	-	327,691
Capital outlay	-	-	-	-	-	525,718	525,718
Committed to:							
Building maintenance	60,947	-	-	-	-	-	60,947
Library maintenance	6	-	-	-	-	-	6
Capital outlay	-	-	-	-	-	72,288	72,288
Unassigned:	3,580,861	-	-	-	-	-	3,580,861
Total fund balances	\$ 3,675,862	\$ 1,933,003	\$ 785,987	\$ 200,218	\$ 327,691	\$ 1,630,206	\$ 8,552,967

NOTE 8 - EMPLOYEE BENEFITS

Retirement Plan

Substantially all County employees are members of the South Carolina Retirement System, (SCRS) or the Police Officers Retirement System (PORS). These systems are cost-sharing multiple-employer plans administered by the Retirement Division of the State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The State is authorized by statute to establish and amend all plan provisions. Covered payroll was \$6,104,672, \$5,973,242 and \$5,859,680 for the years ended June 30, 2012, 2011 and 2010, respectively.

Generally all employees are required to participate in the SCRS as a condition of employment.

Under South Carolina Retirement System (SCRS), employees are eligible for normal retirement with no reduction of benefits upon reaching age 65 or completion of 28 years credited service regardless of age. The benefit formula effective July 1, 1989, for the System is 1.82% of an employee's average final compensation multiplied by the number of years of credited service. An early retirement option with reduced benefits is available as early as age 60. Employees are vested for a deferred annuity after 5 years service and qualify for a survivor's benefit upon completion of 15 years credited service. A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an employee with a minimum of one year of credited service. Employees are required to contribute 6.5% of their salary for the year ended June 30, 2012 (6.50% for the year ended June 30, 2011 and 6.50% for the year ended June 2010). The County is required to contribute 9.39% of employees' salary for the year ended June 30, 2012 (9.24% for the year ended June 30, 2011 and 9.24% for the year ended June 30, 2010).

(Continued)

NOTE 8 - EMPLOYEE BENEFITS, Continued

Police Officers Retirement System (PORS) - Participating employees contribute 6.5% of their annual covered payroll. The County contributes on their behalf 11.36% of annual payroll plus an additional .2% of payroll to provide accidental death benefits.

The Pension Plans provide death and disability as well retirement benefits. Both employees and employers are required to contribute to the Plan at rates established under authority of Title 9 of the SC Code of Laws. Contribution information for the year ended June 30, 2012 and the two years prior is as follows:

	<u>Employee Amount</u>	<u>Contributions % of Wages</u>	<u>Employer Amount</u>	<u>Contributions % of Wages</u>	<u>Total</u>
June 30, 2012	\$ 397,064	6.50 & 6.50%	\$ 635,723	9.39 & 11.36%	\$ 1,032,787
June 30, 2011	\$ 388,260	6.50 & 6.50%	\$ 609,783	9.24 & 11.13%	\$ 998,043
June 30, 2010	\$ 380,559	6.50 & 6.50%	\$ 586,164	9.24 & 10.30%	\$ 966,723

Ten year historical trend information presenting the retirement system's progress in accumulating sufficient assets to pay benefits when due is presented in the Component Unit Financial Report issued annually by the South Carolina Retirement Systems.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, S.C. 29211-1960.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program after July 1, 2005 are required to pay the same pre-tax contribution to the SCRS during the TERI period, but they do not earn service credit.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered and controlled by the State of South Carolina. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

ING Group, PO Box 810, 1000 AV Amsterdam, the Netherlands, (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to County and component unit employees at their option.

The government also provides its employees a Money Plus Spending Account through the state health plan. The plan, available to all government employees, provides for child care, health issues and dental benefits.

Post-employment Health Care Benefits

The County does not provide health care benefits for retired employees.

NOTE 9 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2012, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 10 - LITIGATION

There are several pending lawsuits in which the County is involved. The County attorney estimates that the potential claims against the County, not covered by insurance, resulting from such litigation, would not materially affect the financial statements of the County.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the South Carolina Counties Property and Liability Trust. In addition, the County carries employee health and accident insurance through the South Carolina Office of Insurance Services. This South Carolina state health plan represents various South Carolina governmental entities joined together in a public entity risk pool. The County pays premiums to the Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 12 - CAPITAL LEASES

The County has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2012:

	Governmental funds
Machinery and equipment	\$ 1,486,486
Less: Accumulated depreciation	<u>(1,215,052)</u>
	<u>\$ 271,434</u>

(Continued)

NOTE 12 - CAPITAL LEASES, Continued

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012:

<u>Fiscal year ending June 30,</u>	<u>Governmental funds</u>
2013	\$ 55,366
2014	23,068
2015	-
Total minimum lease payments	78,434
Less: Amount representing interest	<u>(3,617)</u>
Present value of future minimum lease payments	<u>\$ 74,817</u>

Lease obligations are payable from the general fund.

NOTE 13 - OTHER COMMITMENTS

The County leases land under operating leases. Future minimum lease payments required under the operating leases are as follows:

<u>Fiscal year ending June 30,</u>	<u>Total minimum lease payments</u>
2013	\$ 8,000
2014	8,000
2015	8,000
2016	8,000
2017	8,000
2018-2022	40,000
2023-2027	40,000
2028-2032	<u>32,000</u>
	<u>\$ 152,000</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	Budget - original	Budget - final	Actual	Variance positive (negative)
REVENUES				
Taxes	\$ 5,484,915	\$ 5,484,915	\$ 5,746,125	\$ 261,210
Licenses, permits and fees	400,031	400,031	441,989	41,958
Intergovernmental	1,454,946	1,454,946	1,583,659	128,713
Charges for services	9,100	9,100	13,469	4,369
Fines and forfeits	130,000	130,000	192,076	62,076
Interest	35,000	35,000	16,115	(18,885)
Other	256,492	256,492	228,137	(28,355)
Total revenues	<u>7,770,484</u>	<u>7,770,484</u>	<u>8,221,570</u>	<u>451,086</u>
EXPENDITURES				
Budgeted				
Current				
General government	533,546	533,546	501,175	32,371
Staff agencies	1,393,137	1,393,137	1,369,833	23,304
Finance agencies	618,293	618,293	606,533	11,760
Public safety	3,655,076	3,655,076	3,675,012	(19,936)
Public works	95,331	95,331	94,347	984
Health and social services	87,475	87,475	82,853	4,622
Building maintenance	272,955	272,955	264,135	8,820
Nondepartmental	1,338,016	1,338,016	1,453,102	(115,086)
Capital outlay	58,650	58,650	33,395	25,255
Debt service:				
Principal retirement	48,909	48,909	48,909	-
Interest and fiscal charges	6,591	6,591	6,457	134
Total budgeted expenditures	<u>8,107,979</u>	<u>8,107,979</u>	<u>8,135,751</u>	<u>(27,772)</u>
Nonbudgeted				
Current				
Staff agencies	-	-	18,840	(18,840)
Capital Outlay	-	-	37,601	(37,601)
Total expenditures	<u>8,107,979</u>	<u>8,107,979</u>	<u>8,192,192</u>	<u>(84,213)</u>
Excess (deficiency) of revenues under expenditures	<u>(337,495)</u>	<u>(337,495)</u>	<u>29,378</u>	<u>366,873</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	204,941	204,941	231,094	26,153
Transfers out	(185,896)	(185,896)	(185,897)	(1)
Total other financing sources (uses)	<u>19,045</u>	<u>19,045</u>	<u>45,197</u>	<u>26,152</u>
Excess (deficiency) of revenues and other financing sources under expenditures and other uses	<u>(318,450)</u>	<u>(318,450)</u>	<u>74,575</u>	<u>393,025</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,601,287</u>	<u>3,601,287</u>	<u>3,601,287</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,282,837</u>	<u>\$ 3,282,837</u>	<u>\$ 3,675,862</u>	<u>\$ 393,025</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
GENERAL GOVERNMENT				
County council				
Personnel services	\$ 55,291	\$ 55,291	\$ 61,258	\$ (5,967)
Operating expenses	60,460	60,460	15,614	44,846
Total county council	<u>115,751</u>	<u>115,751</u>	<u>76,872</u>	<u>38,879</u>
County administrator's office				
Personnel services	392,945	392,945	395,740	(2,795)
Operating expenses	24,850	24,850	28,563	(3,713)
Capital outlay	40,000	40,000	10,249	29,751
Total county administrator's office	<u>457,795</u>	<u>457,795</u>	<u>434,552</u>	<u>23,243</u>
Total current expenditures	533,546	533,546	501,175	32,371
Total capital outlay	40,000	40,000	10,249	29,751
Total general government	<u>573,546</u>	<u>573,546</u>	<u>511,424</u>	<u>62,122</u>
STAFF AGENCIES				
Clerk of court				
Personnel services	214,412	214,412	230,041	(15,629)
Operating expenses	134,395	134,395	128,048	6,347
Capital outlay	-	-	286	(286)
Total clerk of court	<u>348,807</u>	<u>348,807</u>	<u>358,375</u>	<u>(9,568)</u>
Circuit court				
Personnel services	14,065	14,065	9,848	4,217
Operating expenses	36,500	36,500	25,735	10,765
Total circuit court	<u>50,565</u>	<u>50,565</u>	<u>35,583</u>	<u>14,982</u>
County archives				
Personnel services	34,861	34,861	35,492	(631)
Operating expenses	4,475	4,475	3,025	1,450
Total county archives	<u>39,336</u>	<u>39,336</u>	<u>38,517</u>	<u>819</u>
Coroner				
Personnel services	53,021	53,021	52,991	30
Operating expenses	33,400	33,400	31,477	1,923
Total coroner	<u>86,421</u>	<u>86,421</u>	<u>84,468</u>	<u>1,953</u>
Veterans' affairs				
Personnel services	68,634	68,634	74,093	(5,459)
Operating expenses	7,400	7,400	7,004	396
Total veterans' affairs	<u>76,034</u>	<u>76,034</u>	<u>81,097</u>	<u>(5,063)</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
STAFF AGENCIES, Continued				
Magistrate				
Personnel services	263,045	263,045	262,997	48
Operating expenses	35,160	35,160	28,457	6,703
Capital outlay	-	-	1,535	(1,535)
Total magistrate	<u>298,205</u>	<u>298,205</u>	<u>292,989</u>	<u>5,216</u>
Probate judge				
Personnel services	159,722	159,722	160,447	(725)
Operating expenses	19,500	19,500	15,321	4,179
Capital outlay	1,700	1,700	2,466	(766)
Total probate judge	<u>180,922</u>	<u>180,922</u>	<u>178,234</u>	<u>2,688</u>
Board of registration				
Personnel services	69,604	69,604	66,708	2,896
Operating expenses	28,260	28,260	25,004	3,256
Total board of registration	<u>97,864</u>	<u>97,864</u>	<u>91,712</u>	<u>6,152</u>
Tri-county public defender				
Operating expenses	<u>15,050</u>	<u>15,050</u>	<u>11,271</u>	<u>3,779</u>
Planning commission				
Personnel services	182,223	182,223	182,208	15
Operating expenses	18,380	18,380	19,087	(707)
Total planning commission	<u>200,603</u>	<u>200,603</u>	<u>201,295</u>	<u>(692)</u>
Circuit judge				
Operating expenses	<u>1,030</u>	<u>1,030</u>	<u>579</u>	<u>451</u>
Total current expenditures	1,393,137	1,393,137	1,369,833	23,304
Total capital outlay	1,700	1,700	4,287	(2,587)
Total staff agencies	<u>1,394,837</u>	<u>1,394,837</u>	<u>1,374,120</u>	<u>20,717</u>
FINANCE AGENCIES				
Tax assessor				
Personnel services	201,636	201,636	195,216	6,420
Operating expenses	41,470	41,470	39,968	1,502
Total tax assessor	<u>243,106</u>	<u>243,106</u>	<u>235,184</u>	<u>7,922</u>
Auditor				
Personnel services	81,001	81,001	90,472	(9,471)
Operating expenses	6,270	6,270	4,261	2,009
Total auditor	<u>87,271</u>	<u>87,271</u>	<u>94,733</u>	<u>(7,462)</u>
Treasurer				
Personnel services	107,739	107,739	108,388	(649)
Operating expenses	51,400	51,400	44,146	7,254
Capital outlay	-	-	353	(353)
Total treasurer	<u>159,139</u>	<u>159,139</u>	<u>152,887</u>	<u>6,252</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
FINANCE AGENCIES, Continued				
Tax collector				
Personnel services	62,277	62,277	62,467	(190)
Operating expenses	66,500	66,500	61,615	4,885
Total tax collector	<u>128,777</u>	<u>128,777</u>	<u>124,082</u>	<u>4,695</u>
Total current expenditures	618,293	618,293	606,533	11,760
Total capital outlay	-	-	353	(353)
Total finance agencies	<u>618,293</u>	<u>618,293</u>	<u>606,886</u>	<u>11,407</u>
PUBLIC SAFETY				
Sheriff's office				
Personnel services	1,646,261	1,646,261	1,671,441	(25,180)
Operating expenses	242,850	242,850	307,519	(64,669)
Capital outlay	-	-	259	(259)
Total sheriff's office	<u>1,889,111</u>	<u>1,889,111</u>	<u>1,979,219</u>	<u>(90,108)</u>
E911 dispatch operator				
Personnel services	398,320	398,320	356,333	41,987
Operating expenses	27,350	27,350	30,346	(2,996)
Capital outlay	300	300	176	124
Total E911 dispatch operator	<u>425,970</u>	<u>425,970</u>	<u>386,855</u>	<u>39,115</u>
County jail				
Personnel services	666,015	666,015	689,915	(23,900)
Operating expenses	472,020	472,020	405,419	66,601
Capital outlay	500	500	535	(35)
Total county jail	<u>1,138,535</u>	<u>1,138,535</u>	<u>1,095,869</u>	<u>42,666</u>
Animal control				
Personnel services	39,534	39,534	38,465	1,069
Operating expenses	63,980	63,980	72,693	(8,713)
Total animal control	<u>103,514</u>	<u>103,514</u>	<u>111,158</u>	<u>(7,644)</u>
Emergency preparedness				
Personnel services	31,829	31,829	31,888	(59)
Operating expenses	66,917	66,917	70,993	(4,076)
Capital outlay	3,500	3,500	6,017	(2,517)
Total emergency preparedness	<u>102,246</u>	<u>102,246</u>	<u>108,898</u>	<u>(6,652)</u>
Total current expenditures	3,655,076	3,655,076	3,675,012	(19,936)
Total capital outlay	4,300	4,300	6,987	(2,687)
Total public safety	<u>3,659,376</u>	<u>3,659,376</u>	<u>3,681,999</u>	<u>(22,623)</u>
PUBLIC WORKS				
Maintenance garage				
Personnel services	85,131	85,131	84,891	240
Operating expenses	7,200	7,200	7,634	(434)
Total maintenance garage	<u>92,331</u>	<u>92,331</u>	<u>92,525</u>	<u>(194)</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
PUBLIC WORKS, continued				
Fuel site				
Operating expenses	3,000	3,000	1,822	1,178
Total current expenditures	95,331	95,331	94,347	984
Total public works	95,331	95,331	94,347	984
HEALTH AND SOCIAL SERVICES				
Department of social services				
Operating expenses	575	575	-	575
Edgefield county senior citizens council				
Operating expenses	3,000	3,000	3,000	-
Medical indigent				
Operating expenses	32,600	32,600	32,557	43
Alcohol and drug abuse				
Operating expenses	45,000	45,000	40,996	4,004
County health department				
Operating expenses	6,300	6,300	6,300	-
Total current expenditures	87,475	87,475	82,853	4,622
Total health and social services	87,475	87,475	82,853	4,622
BUILDING MAINTENANCE				
Courthouse building				
Operating expenses	67,110	67,110	73,530	(6,420)
County council chambers				
Operating expenses	15,225	15,225	14,832	393
County auditor's building				
Operating expenses	2,675	2,675	1,650	1,025
Department of social services building				
Operating expenses	19,560	19,560	18,922	638
County administrative building				
Operating expenses	9,030	9,030	9,213	(183)
Agriculture building				
Operating expenses	14,230	14,230	17,250	(3,020)
Health building				
Operating expenses	1,830	1,830	2,100	(270)
Magistrate building				
Operating expenses	6,455	6,455	7,377	(922)

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2012

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
BUILDING MAINTENANCE, Continued				
Neighborhood center - Salary and utilities Operating expenses	27,470	27,470	19,501	7,969
Sheriff's building Operating expenses	30,265	30,265	30,643	(378)
Capital outlay	300	300	256	44
Total sheriff's building	<u>30,565</u>	<u>30,565</u>	<u>30,899</u>	<u>(334)</u>
County jail building Operating expenses	63,265	63,265	60,045	3,220
Capital outlay	12,350	12,350	11,263	1,087
Total county jail building	<u>75,615</u>	<u>75,615</u>	<u>71,308</u>	<u>4,307</u>
Maintenance garage Operating expense	4,380	4,380	4,227	153
Kneece building Operating expense	11,460	11,460	4,845	6,615
Total current expenditures	272,955	272,955	264,135	8,820
Total capital outlay	<u>12,650</u>	<u>12,650</u>	<u>11,519</u>	<u>1,131</u>
Total building maintenance	<u>285,605</u>	<u>285,605</u>	<u>275,654</u>	<u>9,951</u>
NONDEPARTMENTAL				
Miscellaneous	8,456	8,456	3,459	4,997
County agent	30,545	30,545	30,545	-
Employment and social security office	850	850	334	516
Soil and water conservation office	2,000	2,000	2,000	-
Probation office	1,900	1,900	1,415	485
Upper Savannah Council of Governments	18,026	18,026	18,026	-
Piedmont Technical Education Center	43,000	43,000	43,000	-
Professional services	1,053,459	1,053,459	1,172,455	(118,996)
ABBE Regional Library	175,280	175,280	177,368	(2,088)
Non-profit organizations	4,500	4,500	4,500	-
Total current expenditures	<u>1,338,016</u>	<u>1,338,016</u>	<u>1,453,102</u>	<u>(115,086)</u>
Total nondepartmental	<u>1,338,016</u>	<u>1,338,016</u>	<u>1,453,102</u>	<u>(115,086)</u>
DEBT SERVICE				
Principal retirement	48,909	48,909	48,909	-
Interest and fiscal charges	6,591	6,591	6,457	134
Total debt service	<u>55,500</u>	<u>55,500</u>	<u>55,366</u>	<u>134</u>
Total budgeted expenditures	<u>\$ 8,107,979</u>	<u>\$ 8,107,979</u>	<u>\$ 8,135,751</u>	<u>\$ (27,772)</u>
NONBUDGETED EXPENDITURES				
Board of registration - poll workers			\$ 18,840	
Capital outlay - emergency preparedness			29,547	
Capital outlay - Sheriff's department			8,054	
Total nonbudgeted expenditures			<u>56,441</u>	
Total current expenditures			8,121,196	
Total capital outlay			70,996	
Total expenditures			<u>\$ 8,192,192</u>	

COUNTY OF EDGEFIELD, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 873,493	\$ 525,985	\$ 1,399,478
Due from other funds	58,234	-	58,234
Property taxes receivable	12,498	-	12,498
Accounts receivable	163,779	157,490	321,269
Due from other governments	<u>115,059</u>	<u>-</u>	<u>115,059</u>
Total assets	<u>\$ 1,223,063</u>	<u>\$ 683,475</u>	<u>\$ 1,906,538</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 146,711	\$ 85,469	\$ 232,180
Due to other funds	33,889	-	33,889
Deferred revenue - Property taxes	<u>10,263</u>	<u>-</u>	<u>10,263</u>
Total liabilities	<u>190,863</u>	<u>85,469</u>	<u>276,332</u>
Fund balances			
Restricted	1,032,200	525,718	1,557,918
Committed	<u>-</u>	<u>72,288</u>	<u>72,288</u>
Total fund balances	<u>1,032,200</u>	<u>598,006</u>	<u>1,630,206</u>
Total liabilities and fund balances	<u>\$ 1,223,063</u>	<u>\$ 683,475</u>	<u>\$ 1,906,538</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 634,461	\$ -	\$ 634,461
Intergovernmental	365,570	-	365,570
Charges for services	1,177,799	-	1,177,799
Local funds	756,538	-	756,538
Interest	1,818	1,463	3,281
Total revenues	<u>2,936,186</u>	<u>1,463</u>	<u>2,937,649</u>
EXPENDITURES			
Public works	865,997	-	865,997
Public safety	1,175,149	-	1,175,149
Health and social services	244,490	-	244,490
Nondepartmental	96,337	-	96,337
Capital outlay	9,978	402,416	412,394
Debt service:			
Bond issuance costs	-	5,000	5,000
Total expenditures	<u>2,391,951</u>	<u>407,416</u>	<u>2,799,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>544,235</u>	<u>(405,953)</u>	<u>138,282</u>
Other financing sources (uses):			
Bond proceeds	-	750,000	750,000
Transfers in	185,897	131,302	317,199
Transfers out	<u>(692,351)</u>	<u>-</u>	<u>(692,351)</u>
Total other financing sources (uses)	<u>(506,454)</u>	<u>881,302</u>	<u>374,848</u>
Net change in fund balances	37,781	475,349	513,130
Fund balances, beginning of the year	<u>994,419</u>	<u>122,657</u>	<u>1,117,076</u>
Fund balances, end of the year	<u>\$ 1,032,200</u>	<u>\$ 598,006</u>	<u>\$ 1,630,206</u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

	<u>School Resource Officer I</u>	<u>School Resource Officer II</u>	<u>"C" funds</u>	<u>Industrial Development</u>	<u>Victim's Bill of Rights</u>	<u>SCCFG Grant</u>	<u>County Tire Fund</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 1,940,392	\$ 26,245	\$ 23,900	\$ 647	\$ 22,937
Property taxes receivable	-	-	-	4,432	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	2	-	-	-	58,232	-	-
Due from other governments	<u>20,589</u>	<u>37,265</u>	<u>75,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,140</u>
Total assets	<u>\$ 20,591</u>	<u>\$ 37,265</u>	<u>\$ 2,016,315</u>	<u>\$ 30,677</u>	<u>\$ 82,132</u>	<u>\$ 647</u>	<u>\$ 26,077</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 4,248	\$ 15,849	\$ 83,312	\$ 1,247	\$ 707	\$ -	\$ 3,702
Deferred revenue - property taxes	-	-	-	3,637	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,248</u>	<u>15,849</u>	<u>83,312</u>	<u>4,884</u>	<u>707</u>	<u>-</u>	<u>3,702</u>
Fund balances							
Restricted	<u>16,343</u>	<u>21,416</u>	<u>1,933,003</u>	<u>25,793</u>	<u>81,425</u>	<u>647</u>	<u>22,375</u>
Total fund balances	<u>16,343</u>	<u>21,416</u>	<u>1,933,003</u>	<u>25,793</u>	<u>81,425</u>	<u>647</u>	<u>22,375</u>
Total liabilities and fund balances	<u>\$ 20,591</u>	<u>\$ 37,265</u>	<u>\$ 2,016,315</u>	<u>\$ 30,677</u>	<u>\$ 82,132</u>	<u>\$ 647</u>	<u>\$ 26,077</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	911 Surcharge	User Fee Fund	Road Fee Fund	Assistant Solicitor	Solicitor	Burglar	Forestry
ASSETS							
Cash and cash equivalents	\$ 226,012	\$ 230,822	\$ 164,219	\$ -	\$ 65,229	\$ 5,795	\$ 20,874
Property taxes receivable	-	-	-	-	-	-	-
Accounts receivable	4	89,515	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	11,656	-	-	-
	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>
Total assets	<u>\$ 226,016</u>	<u>\$ 320,337</u>	<u>\$ 164,219</u>	<u>\$ 11,656</u>	<u>\$ 65,229</u>	<u>\$ 5,795</u>	<u>\$ 20,874</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 4,544	\$ 2,477	\$ 16,756	\$ 2,952	\$ 5,726	\$ -	\$ -
Deferred revenue - property taxes	-	-	-	-	-	-	-
Due to other funds	21,254	557	3,179	8,704	11,767	-	-
	<u>25,798</u>	<u>3,034</u>	<u>19,935</u>	<u>11,656</u>	<u>17,493</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	200,218	317,303	144,284	-	47,736	5,795	20,874
Total fund balances	<u>200,218</u>	<u>317,303</u>	<u>144,284</u>	<u>-</u>	<u>47,736</u>	<u>5,795</u>	<u>20,874</u>
Total liabilities and fund balances	<u>\$ 226,016</u>	<u>\$ 320,337</u>	<u>\$ 164,219</u>	<u>\$ 11,656</u>	<u>\$ 65,229</u>	<u>\$ 5,795</u>	<u>\$ 20,874</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

	<u>EMS</u>	<u>Recreation</u>	<u>Tri-County Juvenile Justice Grant</u>	<u>Event Security</u>	<u>Pre Trial Intervention</u>	<u>Community Action Program</u>	<u>JAG CDV Grant</u>
ASSETS							
Cash and cash equivalents	\$ 657,534	\$ 109,079	\$ 336	\$ -	\$ -	\$ 97	\$ -
Property taxes receivable	55,647	8,066	-	-	-	-	-
Accounts receivable	165,965	-	-	-	-	-	17,148
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	36,328	6,081	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,328</u>	<u>6,081</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 879,146</u>	<u>\$ 117,145</u>	<u>\$ 336</u>	<u>\$ 36,328</u>	<u>\$ 6,081</u>	<u>\$ 97</u>	<u>\$ 17,148</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 21,835	\$ 13,212	\$ -	\$ 14,175	\$ 3,742	\$ -	\$ 11,040
Deferred revenue - property taxes	45,682	6,626	-	-	-	-	-
Due to other funds	25,642	4,554	-	218	2,339	-	1,795
	<u>93,159</u>	<u>24,392</u>	<u>-</u>	<u>14,393</u>	<u>6,081</u>	<u>-</u>	<u>12,835</u>
Fund balances							
Restricted	785,987	92,753	336	21,935	-	97	4,313
Total fund balances	<u>785,987</u>	<u>92,753</u>	<u>336</u>	<u>21,935</u>	<u>-</u>	<u>97</u>	<u>4,313</u>
Total liabilities and fund balances	<u>\$ 879,146</u>	<u>\$ 117,145</u>	<u>\$ 336</u>	<u>\$ 36,328</u>	<u>\$ 6,081</u>	<u>\$ 97</u>	<u>\$ 17,148</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

	<u>SC Prosecution Commission CDV Grant</u>	<u>Sheriff Grants</u>	<u>Clerk of Court Grants</u>	<u>Total all funds</u>	<u>Less Major Funds</u>	<u>Total Nonmajor Funds</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 84,867	\$ 118,446	\$ 3,697,431	\$ 2,823,938	\$ 873,493
Property taxes receivable	-	-	-	68,145	55,647	12,498
Accounts receivable	51,654	-	5,462	329,748	165,969	163,779
Due from other funds	-	-	-	58,234	-	58,234
Due from other governments	-	-	-	190,982	75,923	115,059
	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,982</u>	<u>75,923</u>	<u>115,059</u>
Total assets	<u>\$ 51,654</u>	<u>\$ 84,867</u>	<u>\$ 123,908</u>	<u>\$ 4,344,540</u>	<u>\$ 3,121,477</u>	<u>\$ 1,223,063</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 50,878	\$ -	\$ -	\$ 256,402	109,691	\$ 146,711
Deferred revenue - property taxes	-	-	-	55,945	45,682	10,263
Due to other funds	776	-	-	80,785	46,896	33,889
	<u>51,654</u>	<u>-</u>	<u>-</u>	<u>393,132</u>	<u>202,269</u>	<u>190,863</u>
Fund balances						
Restricted	-	84,867	123,908	3,951,408	2,919,208	1,032,200
	<u>-</u>	<u>84,867</u>	<u>123,908</u>	<u>3,951,408</u>	<u>2,919,208</u>	<u>1,032,200</u>
Total liabilities and fund balances	<u>\$ 51,654</u>	<u>\$ 84,867</u>	<u>\$ 123,908</u>	<u>\$ 4,344,540</u>	<u>\$ 3,121,477</u>	<u>\$ 1,223,063</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	School Resource Officer I	School Resource Officer II	"C" funds	Industrial Development	Victim's Bill of Rights	SCCFG Grant	County Tire Fund	911 Surcharge	User Fee Fund	Road Fee Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ 62,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,520
Federal funds	-	-	-	-	-	-	-	-	-	41,748
State funds	-	-	963,551	-	-	-	10,304	146,855	-	-
Local funds	75,716	61,052	-	-	38,035	-	10,800	-	-	127
Charges for services	-	-	-	-	-	-	-	-	915,261	-
Interest	-	-	6,279	155	39	-	85	904	717	421
Total revenues	75,716	61,052	969,830	62,324	38,074	-	21,189	147,759	915,978	500,816
EXPENDITURES										
Current										
Public works	-	-	769,872	-	51,633	-	-	-	356,258	458,106
Public safety	59,375	39,636	-	-	-	-	-	124,519	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	63,873	-	-	32,464	-	-	-
Capital outlay	-	-	-	-	-	-	-	150,238	-	-
Total expenditures	59,375	39,636	769,872	63,873	51,633	-	32,464	274,757	356,258	458,106
Excess (deficiency) of revenues over expenditures	16,341	21,416	199,958	(1,549)	(13,559)	-	(11,275)	(126,998)	559,720	42,710
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	19,469	-	-	-	-	-
Transfers out	-	-	(131,302)	(6,420)	-	-	-	-	(584,437)	(15,000)
Total other financing sources (uses)	-	-	(131,302)	(6,420)	19,469	-	-	-	(584,437)	(15,000)
Net change in fund balances	16,341	21,416	68,656	(7,969)	5,910	-	(11,275)	(126,998)	(24,717)	27,710
FUND BALANCES, BEGINNING OF YEAR	2	-	1,864,347	33,762	75,515	647	33,650	327,216	342,020	116,574
FUND BALANCES, END OF YEAR	\$ 16,343	\$ 21,416	\$ 1,933,003	\$ 25,793	\$ 81,425	\$ 647	\$ 22,375	\$ 200,218	\$ 317,303	\$ 144,284

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	Assistant Solicitor	Solicitor	Burglar	Forestry	EMS	Recreation	Tri-County Juvenile Justice Grant	Event Security
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 809,769	\$ 113,772	\$ -	\$ -
Federal funds	-	-	-	20,874	-	-	-	-
State funds	-	-	-	-	-	450	-	-
Local funds	367,397	203,411	-	-	-	-	-	-
Charges for services	-	-	-	-	543,941	62,507	-	67,931
Interest	-	-	-	-	1,770	381	-	-
Total revenues	<u>367,397</u>	<u>203,411</u>	<u>-</u>	<u>20,874</u>	<u>1,355,480</u>	<u>177,110</u>	<u>-</u>	<u>67,931</u>
EXPENDITURES								
Current								
Public works	-	-	-	-	-	-	-	-
Public safety	367,397	340,824	-	-	-	-	-	45,996
Health and social services	-	-	-	-	1,331,907	196,594	-	-
Nondepartmental	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>367,397</u>	<u>340,824</u>	<u>-</u>	<u>-</u>	<u>1,331,907</u>	<u>196,594</u>	<u>-</u>	<u>45,996</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(137,413)</u>	<u>-</u>	<u>20,874</u>	<u>23,573</u>	<u>(19,484)</u>	<u>-</u>	<u>21,935</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	166,428	-	-	-	-	-	-
Transfers out	-	(15,000)	-	(29,545)	(15,560)	(7,800)	-	-
Total other financing sources (uses)	<u>-</u>	<u>151,428</u>	<u>-</u>	<u>(29,545)</u>	<u>(15,560)</u>	<u>(7,800)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	14,015	-	(8,671)	8,013	(27,284)	-	21,935
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>33,721</u>	<u>5,795</u>	<u>29,545</u>	<u>777,974</u>	<u>120,037</u>	<u>336</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 47,736</u>	<u>\$ 5,795</u>	<u>\$ 20,874</u>	<u>\$ 785,987</u>	<u>\$ 92,753</u>	<u>\$ 336</u>	<u>\$ 21,935</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	Pre Trial Intervention	Community Action Program	JAG CDV Grant	SC Prosecution Commission CDV Grant	Sheriff Grants	Clerk of Court Grants	Total all funds	Less Major Funds	Total Nonmajor Funds
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444,230	\$ 809,769	\$ 634,461
Federal funds	-	-	66,762	-	-	-	129,384	-	129,384
State funds	-	-	-	98,068	45,930	81,434	1,346,592	1,110,406	236,186
Local funds	-	-	-	-	-	-	756,538	-	756,538
Charges for services	132,100	-	-	-	-	-	1,721,740	543,941	1,177,799
Interest	-	-	-	-	20	-	10,771	8,953	1,818
Total revenues	<u>132,100</u>	<u>-</u>	<u>66,762</u>	<u>98,068</u>	<u>45,950</u>	<u>81,434</u>	<u>5,409,255</u>	<u>2,473,069</u>	<u>2,936,186</u>
EXPENDITURES									
Current									
Public works	-	-	-	-	-	-	1,635,869	769,872	865,997
Public safety	132,100	2,307	64,470	98,068	24,976	-	1,299,668	124,519	1,175,149
Health and social services	-	-	-	-	-	47,896	1,576,397	1,331,907	244,490
Nondepartmental	-	-	-	-	-	-	96,337	-	96,337
Capital outlay	-	-	-	-	5,576	4,402	160,216	150,238	9,978
Total expenditures	<u>132,100</u>	<u>2,307</u>	<u>64,470</u>	<u>98,068</u>	<u>30,552</u>	<u>52,298</u>	<u>4,768,487</u>	<u>2,376,536</u>	<u>2,391,951</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,307)</u>	<u>2,292</u>	<u>-</u>	<u>15,398</u>	<u>29,136</u>	<u>640,768</u>	<u>96,533</u>	<u>544,235</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	185,897	-	185,897
Transfers out	-	-	-	-	(4,888)	(29,261)	(839,213)	(146,862)	(692,351)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,888)</u>	<u>(29,261)</u>	<u>(653,316)</u>	<u>(146,862)</u>	<u>(506,454)</u>
Net change in fund balances	-	(2,307)	2,292	-	10,510	(125)	(12,548)	(50,329)	37,781
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>2,404</u>	<u>2,021</u>	<u>-</u>	<u>74,357</u>	<u>124,033</u>	<u>3,963,956</u>	<u>2,969,537</u>	<u>994,419</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 4,313</u>	<u>\$ -</u>	<u>\$ 84,867</u>	<u>\$ 123,908</u>	<u>\$ 3,951,408</u>	<u>\$ 2,919,208</u>	<u>\$ 1,032,200</u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012**

	\$750,000 Equipment Lease Purchase	\$765,000 General Obligation Bond	Administration Building Renovation Project	Neighborhood Center Project	\$750,000 General Obligation Bond	Total Nonmajor Funds
ASSETS						
Cash and cash equivalents	\$ 16,163	\$ 99,359	\$ 267	\$ -	\$ 410,196	\$ 525,985
Accounts receivable	-	-	-	157,490	-	157,490
Total assets	\$ 16,163	\$ 99,359	\$ 267	\$ 157,490	\$ 410,196	\$ 683,475
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 85,469	\$ -	\$ 85,469
Total liabilities	-	-	-	85,469	-	85,469
Fund balances						
Restricted	16,163	99,359	-	-	410,196	525,718
Committed	-	-	267	72,021	-	72,288
Total fund balances	16,163	99,359	267	72,021	410,196	598,006
Total liabilities and fund balances	\$ 16,163	\$ 99,359	\$ 267	\$ 157,490	\$ 410,196	\$ 683,475

COUNTY OF EDGEFIELD, SOUTH CAROLINA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	<u>\$750,000 Equipment Lease Purchase</u>	<u>\$765,000 General Obligation Bond</u>	<u>Administration Building Renovation Project</u>	<u>Neighborhood Center Project</u>	<u>\$750,000 General Obligation Bond</u>	<u>Total Nonmajor Funds</u>
REVENUES						
Interest	\$ -	\$ -	\$ -	-	1,463	\$ 1,463
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463</u>	<u>1,463</u>
EXPENDITURES						
Capital outlay	-	6,868	-	59,281	336,267	402,416
Debt service:						
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total expenditures	<u>-</u>	<u>6,868</u>	<u>-</u>	<u>59,281</u>	<u>341,267</u>	<u>407,416</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(6,868)</u>	<u>-</u>	<u>(59,281)</u>	<u>(339,804)</u>	<u>(405,953)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	750,000	750,000
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,302</u>	<u>-</u>	<u>131,302</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,302</u>	<u>750,000</u>	<u>881,302</u>
Net change in fund balance	-	(6,868)	-	72,021	410,196	475,349
FUND BALANCES, BEGINNING OF YEAR	<u>16,163</u>	<u>106,227</u>	<u>267</u>	<u>-</u>	<u>-</u>	<u>122,657</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,163</u>	<u>\$ 99,359</u>	<u>\$ 267</u>	<u>\$ 72,021</u>	<u>\$ 410,196</u>	<u>\$ 598,006</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	Rural fire	Tax collector property sold fund	Judge of probate	Hospital operating fund	School operating fund
ASSETS					
Cash and cash equivalents	\$ 130,987	\$ 225,676	\$ 1,347	\$ 192,911	\$ 467,354
Property taxes receivable	44,849	-	-	34,702	851,632
Due from other governments	41,242	-	-	645	290,580
Total assets	\$ 217,078	\$ 225,676	\$ 1,347	\$ 228,258	\$ 1,609,566
LIABILITIES					
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other taxing districts and agencies	217,078	225,676	1,347	228,258	1,609,566
Total liabilities	\$ 217,078	\$ 225,676	\$ 1,347	\$ 228,258	\$ 1,609,566

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2012**

	School bond fund	Municipal tax collection fund	Forfeitures - Justice	Mill Creek subdivision	Clerk of court fund
ASSETS					
Cash and cash equivalents	\$ 606,456	\$ 4,186	\$ 592	\$ 2,751	\$ 189,306
Property taxes receivable	128,402	8,618	-	-	-
Due from other governments	1,645	-	-	-	-
Total assets	\$ 736,503	\$ 12,804	\$ 592	\$ 2,751	\$ 189,306
LIABILITIES					
Due to other governments	\$ -	\$ -	-	\$ -	\$ 5,306
Due to other taxing districts and agencies	736,503	12,804	592	2,751	184,000
Total liabilities	\$ 736,503	\$ 12,804	\$ 592	\$ 2,751	\$ 189,306

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	Local option sales tax - Property tax fund	Sheriff & Detention Center fund	Vehicle registration fee fund	Total all funds
ASSETS				
Cash and cash equivalents	\$ 1,422,717	\$ 7,275	\$ 480	\$ 3,252,038
Property taxes receivable	-	-	-	1,068,203
Due from other governments	101,294	-	-	435,406
Total assets	\$ 1,524,011	\$ 7,275	\$ 480	\$ 4,755,647
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ -	\$ 5,306
Due to other taxing districts and agencies	1,524,011	7,275	480	4,750,341
Total liabilities	\$ 1,524,011	\$ 7,275	\$ 480	\$ 4,755,647

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
RURAL FIRE				
Assets				
Cash and cash equivalents	\$ 104,480	\$ 687,669	\$ 661,162	\$ 130,987
Property taxes receivable	37,810	642,766	635,727	44,849
Due from other governments	41,250	42,995	43,003	41,242
	<u>\$ 183,540</u>	<u>\$ 1,373,430</u>	<u>\$ 1,339,892</u>	<u>\$ 217,078</u>
Liabilities				
Due to others	<u>\$ 183,540</u>	<u>\$ 694,700</u>	<u>\$ 661,162</u>	<u>\$ 217,078</u>
TAX COLLECTOR PROPERTY SOLD				
Assets				
Cash and cash equivalents	<u>\$ 185,799</u>	<u>\$ 711,600</u>	<u>\$ 671,723</u>	<u>\$ 225,676</u>
Liabilities				
Due to others	<u>\$ 185,799</u>	<u>\$ 711,600</u>	<u>\$ 671,723</u>	<u>\$ 225,676</u>
JUDGE OF PROBATE FUND				
Assets				
Cash and cash equivalents	<u>\$ 2,046</u>	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 1,347</u>
Liabilities				
Due to others	<u>\$ 2,046</u>	<u>\$ -</u>	<u>\$ 699</u>	<u>\$ 1,347</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
HOSPITAL OPERATING FUND				
Assets				
Cash and cash equivalents	\$ 188,864	\$ 502,618	\$ 498,571	\$ 192,911
Property taxes receivable	33,213	504,776	503,287	34,702
Due from other governments	645	-	-	645
	<u>\$ 222,722</u>	<u>\$ 1,007,394</u>	<u>\$ 1,001,858</u>	<u>\$ 228,258</u>
Liabilities				
Due to others	<u>\$ 222,722</u>	<u>\$ 504,107</u>	<u>\$ 498,571</u>	<u>\$ 228,258</u>
 SCHOOL OPERATING FUND				
Assets				
Cash and cash equivalents	\$ 721,400	\$ 13,793,727	\$ 14,047,773	\$ 467,354
Property taxes receivable	774,969	9,770,025	9,693,362	851,632
Due from other governments	12,398	278,182	-	290,580
	<u>\$ 1,508,767</u>	<u>\$ 23,841,934</u>	<u>\$ 23,741,135</u>	<u>\$ 1,609,566</u>
Liabilities				
Due to others	<u>\$ 1,508,767</u>	<u>\$ 14,148,572</u>	<u>\$ 14,047,773</u>	<u>\$ 1,609,566</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
SCHOOL BOND FUND				
Assets				
Cash and cash equivalents	\$ 521,401	\$ 1,961,993	\$ 1,876,938	\$ 606,456
Property taxes receivable	125,183	1,862,728	1,859,509	128,402
Due from other governments	1,645	-	-	1,645
	<u>\$ 648,229</u>	<u>\$ 3,824,721</u>	<u>\$ 3,736,447</u>	<u>\$ 736,503</u>
Liabilities				
Due to others	<u>\$ 648,229</u>	<u>\$ 1,965,212</u>	<u>\$ 1,876,938</u>	<u>\$ 736,503</u>
 MUNICIPAL TAX COLLECTION FUND				
Assets				
Cash and cash equivalents	\$ 4,608	\$ 333,885	\$ 334,307	\$ 4,186
Property taxes receivable	8,345	334,432	334,159	8,618
	<u>\$ 12,953</u>	<u>\$ 668,317</u>	<u>\$ 668,466</u>	<u>\$ 12,804</u>
Liabilities				
Due to others	<u>\$ 12,953</u>	<u>\$ 334,158</u>	<u>\$ 334,307</u>	<u>\$ 12,804</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
FORFEITURES - JUSTICE FUND				
Assets				
Cash and cash equivalents	\$ 590	\$ 2	\$ -	\$ 592
Liabilities				
Due to others	\$ 590	\$ 2	\$ -	\$ 592
MILL CREEK SUBDIVISION FUND				
Assets				
Cash and cash equivalents	\$ 9,075	\$ 15,091	\$ 21,415	\$ 2,751
Liabilities				
Due to others	\$ 9,075	\$ 15,091	\$ 21,415	\$ 2,751
CLERK OF COURT FUND				
Assets				
Cash and cash equivalents	\$ 194,272	\$ 189,306	\$ 194,272	\$ 189,306
	<u>\$ 194,272</u>	<u>\$ 189,306</u>	<u>\$ 194,272</u>	<u>\$ 189,306</u>
Liabilities				
Due to other governments	\$ 12,502	\$ 5,306	\$ 12,502	\$ 5,306
Due to others	181,770	184,000	181,770	184,000
	<u>\$ 194,272</u>	<u>\$ 189,306</u>	<u>\$ 194,272</u>	<u>\$ 189,306</u>

(Continued)

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
LOCAL OPTION SALES TAX FUND				
Assets				
Cash and cash equivalents	\$ 790,843	\$ 1,302,770	\$ 670,896	\$ 1,422,717
Due from other governments	467,430	566,914	933,050	101,294
	<u>\$ 1,258,273</u>	<u>\$ 1,869,684</u>	<u>\$ 1,603,946</u>	<u>\$ 1,524,011</u>
Liabilities				
Due to others	<u>\$ 1,258,273</u>	<u>\$ 936,634</u>	<u>\$ 670,896</u>	<u>\$ 1,524,011</u>
SHERIFF & DETENTION CENTER				
Assets				
Cash and cash equivalents	<u>\$ 8,011</u>	<u>\$ -</u>	<u>\$ 736</u>	<u>\$ 7,275</u>
Liabilities				
Due to others	<u>\$ 8,011</u>	<u>\$ -</u>	<u>\$ 736</u>	<u>\$ 7,275</u>
VEHICLE REGISTRATION FEE FUND				
Assets				
Cash and cash equivalents	<u>\$ 10,229</u>	<u>\$ 262,151</u>	<u>\$ 271,900</u>	<u>\$ 480</u>
Liabilities				
Due to others	<u>\$ 10,229</u>	<u>\$ 262,151</u>	<u>\$ 271,900</u>	<u>\$ 480</u>

COUNTY OF EDGEFIELD, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 2,741,618	\$ 19,760,812	\$ 19,250,392	\$ 3,252,038
Property taxes receivable	979,520	13,114,727	13,026,044	1,068,203
Due from other governments	523,368	888,091	976,053	435,406
	\$ 4,244,506	\$ 33,763,630	\$ 33,252,489	\$ 4,755,647
TOTAL ALL AGENCY FUNDS				
Liabilities				
Due to other governments	\$ 12,502	\$ 5,306	\$ 12,502	\$ 5,306
Due to others	4,232,004	19,756,227	19,237,890	4,750,341
	\$ 4,244,506	\$ 19,761,533	\$ 19,250,392	\$ 4,755,647

COUNTY OF EDGEFIELD, SOUTH CAROLINA
SCHEDULE OF FINES AND ASSESSMENTS
For the year ended June 30, 2012

Court Fines

Court fines collected	\$ 215,575
Court fines retained by County	<u>(214,385)</u>
 Court fines remitted to State Treasurer	 <u><u>\$ 1,190</u></u>

Court Assessments

Court assessments collected	\$ 176,602
Court assessments retained by County	<u>(19,188)</u>
 Court assessments remitted to State Treasurer	 <u><u>\$ 157,414</u></u>

Court Surcharges

Court surcharges collected	\$ 105,447
Court surcharges retained by County	<u>(18,251)</u>
 Court surcharges remitted to State Treasurer	 <u><u>\$ 87,196</u></u>

Victims Services

Court assessments allocated to Victim Services	\$ 19,188
Court surcharges allocated to Victim Services	18,251
Interest and other amounts allocated to Victim Services	<u>20,104</u>
 Funds allocated to Victim Services	 57,543
Victim Services expenditures	<u>(51,633)</u>
 Funds available for carryforward	 \$ 5,910
 Fund Balance as of June 30, 2011	 <u>75,517</u>
 Fund Balance as of June 30, 2012	 <u><u>\$ 81,427</u></u>

Table 1

**COUNTY OF EDGEFIELD, SOUTH CAROLINA
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2012**

ASSESSED PROPERTY VALUATION		<u>\$ 74,186,279</u>
DEBT LIMIT - Eight percent of assessed value		\$ 5,934,902
DEBT APPLICABLE TO DEBT LIMIT		
Total bonded debt (excluding school bonds)	\$ 1,177,100	
Less debt service fund balance (excluding school bonds)	<u>(327,691)</u>	
Total debt applicable to debt limit		<u>849,409</u>
LEGAL DEBT MARGIN		<u>\$ 5,085,493</u>



**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**

Edgefield County Council
County of Edgefield
Edgefield, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Edgefield, South Carolina as of and for the year ended June 30, 2012 and have issued our report thereon dated October 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of County of Edgefield is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County of Edgefield's internal control over financial reporting as a basis for designing our audit procedures 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 County of Edgefield, South Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Edgefield, South Carolina's internal control over financial reporting.

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 misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined previously.

Compliance and other Matters

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

This report is intended solely for the information and use of management, others within the organization, County Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greenwood, South Carolina
October 25, 2012

Elliott Davis, LLC

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS
For the year ended June 30, 2012

Section I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiency identified that is not considered to be a material weakness yes none reported

Noncompliance material to financial statements noted yes no

Section II. Financial Statement Findings

None noted.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2012

There were no prior year findings.