

**COUNTY OF EDGEFIELD  
SOUTH CAROLINA**

**REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

***COUNTY OF EDGEFIELD  
EDGEFIELD, SOUTH CAROLINA***

**COUNTY COUNCIL**

DEAN CAMPBELL - CHAIRMAN

GENIA BLACKWELL - VICE CHAIRMAN

NORMAN DORN

RODNEY ASHCRAFT, JR.

WILLIE C. BRIGHT

**LEGISLATIVE DELEGATION**

SENATOR SHANE MASSEY

REPRESENTATIVE WILLIAM CLYBURN

REPRESENTATIVE WILLIAM M. HIXON

**INTERIM COUNTY ADMINISTRATOR**

ROGER LEDUC

**COUNTY OF EDGEFIELD  
EDGEFIELD, SOUTH CAROLINA**

**TABLE OF CONTENTS**

	<b>Exhibit</b>	<b>Page</b>
<b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</b>		1 - 2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>		3 - 9
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements		
Statement of Net Assets	1	10
Statement of Activities	2	11
Fund Financial Statements		
Balance Sheet - Governmental Funds	3	12
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	4	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	15
Statement of Net Assets - Proprietary Fund	7	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	8	17
Statement of Cash Flows - Proprietary Fund	9	18
Statement of Fiduciary Net Assets	10	19
Notes to Financial Statements		20 - 36
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of General Fund Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	11	37
Schedule of General Fund Expenditures - Budget and Actual	12	38 - 42
<b>SUPPLEMENTARY INFORMATION</b>		
Combining Balance Sheet - Nonmajor Governmental Funds	13	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	14	44
Special Revenue Funds		
Combining Balance Sheet	15	45 - 48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	16	49 - 51
Capital Projects Fund		
Combining Balance Sheet	17	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	18	53
Agency Funds		
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	19	54 - 56
Combining Statement of Changes in Fiduciary Assets And Liabilities - All Agency Funds	20	57 - 62
Fines and Assessments	21	63

(Continued)

**TABLE OF CONTENTS, CONTINUED**

	<u>Table</u>	<u>Page</u>
Computation of legal debt margin	1	64
<b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>		65 – 66
Schedule of Findings		67
Schedule of Prior Year Audit Findings		68



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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 County of Edgefield, South Carolina as of and for the year ended June 30, 2011, 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 discretely presented component unit – Edgefield County Hospital. Accounting principles generally accepted in the United States of America require the financial data for this discretely presented 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 \$7,256,000, \$2,747,000, \$4,509,000, \$10,802,000, and \$11,072,000, 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, 2011, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the County of Edgefield, South Carolina, as of June 30, 2011 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 a report dated October 28, 2011 on our consideration of County of Edgefield's internal control over financial reporting and 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.

The Management's Discussion and Analysis and Budgetary Comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Edgefield, South Carolina's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina  
October 28, 2011

*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, 2011. 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, 2011 by \$24.6 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 no new general obligation bonds and entered into one new capital lease obligation during the year. In addition, they repaid \$422 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 \$77 thousand, while the net assets of our governmental activities increased \$645 thousand.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8.0 million, a decrease of \$614 thousand from the prior year.
- At the end of the current fiscal year, the County's unassigned fund balance for the general fund was \$3.5 million or 43% of general fund expenditures for the fiscal year.
- In the County's business-type activities, revenues decreased 14.7 percent or \$263 thousand while operating expenses decreased 8.7 percent or \$188 thousand.
- The general fund actual revenues were \$367 thousand or 4.8 percent more than budgeted. Also, general fund budgeted expenditures were \$206 thousand or 2.5 percent less 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> </ul>
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 2010 and 2011 by 3.0 percent to approximately \$24.6 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
	2010	2011	2010	2011	2010	2011	2010-2011
Current and other assets	\$ 9,346	\$ 8,861	\$ 1,623	\$ 1,782	\$ 10,969	\$ 10,643	-3.0%
Capital assets	12,819	13,844	2,002	1,837	14,821	15,681	5.8%
Total assets	22,165	22,705	3,625	3,619	25,790	26,324	2.1%
Long-term debt outstanding	1,438	1,248	56	-	1,494	1,248	-16.5%
Other liabilities	370	455	86	60	456	515	12.9%
Total liabilities	1,808	1,703	142	60	1,950	1,763	-9.6%
Net assets							
Invested in capital assets, net of related debt	11,709	12,949	1,945	1,837	13,654	14,786	8.3%
Restricted	3,226	4,416	506	509	3,732	4,925	32.0%
Unrestricted	5,422	3,637	1,032	1,213	6,454	4,850	-24.9%
Total net assets	<u>\$ 20,357</u>	<u>\$ 21,002</u>	<u>\$ 3,483</u>	<u>\$ 3,559</u>	<u>\$ 23,840</u>	<u>\$ 24,561</u>	3.0%

Net assets of our business-type activities increased by 2.25 percent to \$3.6 million. The net assets of our governmental activities increased 3.2 percent to \$21.0 million. This is primarily attributable to an increase in charges for services.

**Changes in net assets.** The County's total revenues decreased by 0.1 percent to \$15.6 million. (See Table A-2.) 44 percent of the County's revenue comes from property taxes. Approximately 27 percent of revenues are from fees charged for services, and 25 percent is from state and federal funds received. State and federal fund revenues received increased \$159 thousand as compared to the prior year.

The total cost of all programs and services decreased by \$404 thousand or 2.8% as compared to prior year. The County's expenses cover a range of services, with about 33 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 and business-type activities increased 0.1 percent or \$21 thousand, while total expenses increased 2.8 percent or \$404 thousand compared to prior year.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change 2010-2011</b>
	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 2,780	\$ 2,668	\$ 1,739	\$ 1,508	\$ 4,519	\$ 4,176	-7.6%
Grants and contributions	2,530	2,879	14	12	2,544	2,891	13.6%
General revenues:							
Property taxes	7,039	6,872	-	-	7,039	6,872	-2.4%
Other taxes	94	108	-	-	94	108	14.9%
Intergovernmental	1,133	945	-	-	1,133	945	-16.6%
Other	169	557	41	11	210	568	170.5%
Total revenues	<u>\$ 13,745</u>	<u>\$ 14,029</u>	<u>\$ 1,794</u>	<u>\$ 1,531</u>	<u>\$ 15,539</u>	<u>\$ 15,560</u>	0.1%
<b>Expenses</b>							
General government	\$ 417	\$ 445	\$ -	\$ -	\$ 417	\$ 445	6.7%
Staff agencies	1,457	1,481	-	-	1,457	1,481	1.6%
Finance agencies	662	694	-	-	662	694	4.8%
Building maintenance	250	267	-	-	250	267	6.8%
Public safety	4,729	5,040	-	-	4,729	5,040	6.6%
Public works	1,726	1,726	-	-	1,726	1,726	0.0%
Health and social services	1,651	1,686	-	-	1,651	1,686	2.1%
Nondepartmental	1,322	1,510	-	-	1,322	1,510	14.2%
Interest and fiscal charges	80	37	-	-	80	37	-53.8%
Landfill	-	-	2,141	1,953	2,141	1,953	-8.8%
Total expenses	<u>\$ 12,294</u>	<u>\$ 12,886</u>	<u>\$ 2,141</u>	<u>\$ 1,953</u>	<u>\$ 14,435</u>	<u>\$ 14,839</u>	2.8%
Increase (decrease) in net assets before transfers	\$ 1,451	\$ 1,143	\$ (347)	\$ (422)	\$ 1,104	\$ 721	-34.7%
Transfers	(529)	(498)	529	498	-	-	0.0%
Increase in net assets	<u>\$ 922</u>	<u>\$ 645</u>	<u>\$ 182</u>	<u>\$ 76</u>	<u>\$ 1,104</u>	<u>\$ 721</u>	-34.7%

Governmental revenues increased \$284 thousand or 2.1 percent largely due to more state and federal revenues received. Property tax collections decreased \$167 thousand or 2.4 percent as compared to the prior year.

### BUSINESS-TYPE ACTIVITIES

Revenues of the County's business-type activities decreased 14.7 percent to \$1.5 million, while expenses decreased 8.7 percent to \$2.0 million. (Refer to Table A-2.) Factors contributing to these results included:

- Decreased grant funds received.
- Increased operating efficiencies which lead to decreases in expenses such as fuel, repairs, and tires.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$8.0 million. This year's governmental fund balances decreased \$614 thousand or 7.1 percent over the prior year.

#### General Fund Budgetary Highlights

Actual general fund budgeted expenditures were \$206 thousand or 2.5 percent less than budget amounts. This is primarily the result of a delay in some capital expenditures.

On the other hand, resources available for appropriation were \$367 thousand or 4.8 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, 2011, the County had invested \$15.7 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 \$862 thousand, or 5.8 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 2009-2010
	Activities		Activities				
	2010	2011	2010	2011	2010	2011	
Land	\$ 598	\$ 598	\$ 28	\$ 28	\$ 626	\$ 626	0.0%
Construction in progress	677	-			677	-	-100.0%
Buildings and improvements	7,138	8,258	440	440	7,578	8,698	14.8%
Furniture, fixtures and equipment	5,235	5,608	2,755	2,483	7,990	8,091	1.3%
Infrastructure	14,355	15,442			14,355	15,442	7.6%
Accumulated depreciation	(15,184)	(16,062)	(1,222)	(1,113)	(16,406)	(17,175)	4.7%
Total net capital assets	<u>\$ 12,819</u>	<u>\$ 13,844</u>	<u>\$ 2,001</u>	<u>\$ 1,838</u>	<u>\$ 14,820</u>	<u>\$ 15,682</u>	5.8%

This year's major capital asset additions included:

- \$101 thousand in additions of equipment.
- \$1.1 million in infrastructure additions.
- \$1.1 million of new buildings and improvements.

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 \$1.2 million in bonds, capital lease and annual leave obligations outstanding - a decrease of 16.5 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 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 \$5.8 million as reflected in Table 1 of this report.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010-2011
	2010	2011	2010	2011	2010	2011	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	
General obligation bonds	\$ 767	\$ 597	\$ -	\$ -	\$ 767	\$ 597	-22.2%
Capital lease obligations	344	299	56	-	400	299	-25.3%
Annual leave obligations	327	352	-	-	327	352	7.6%
Total	<u>\$ 1,438</u>	<u>\$ 1,248</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ 1,494</u>	<u>\$ 1,248</u>	-16.5%

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 10.1 percent, compared to 9.3 percent a year ago. This compares favorably with the state's rate of 10.5 percent and unfavorably with the national rate of 9.2 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2012. Amounts available for appropriation in the general fund budget are estimated at nearly \$8.3 million, an increase of 2.5 percent over the actual 2011 revenues of \$8.1 million.

Budgeted expenditures are expected to increase nearly 3.8 percent to \$8.3 million over the actual 2011 budgeted expenditures of \$8.0 million. There were budgeted funds of approximately \$200,000 that were unexpended during 2011; the budget for 2012 approximately maintains the level budgeted in 2011.

If these estimates are realized, the County's budgetary general fund balance is expected to decrease slightly by the close of 2012.

As for the County's business-type activities, no significant changes are expected for next years results of operations.

### 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 Lynn Strom, Edgefield County Finance Director, 124 Courthouse Square, Edgefield, South Carolina 29824, or visit the County website at [www.edgefieldcounty.sc.gov](http://www.edgefieldcounty.sc.gov).

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,811,333	\$ 1,159,458	\$ 7,970,791
Restricted cash and equivalents	-	508,621	508,621
Investments	156,018	43,127	199,145
Receivables (net):			
Taxes	499,403	-	499,403
Accounts	626,109	74,077	700,186
Other	3,500	-	3,500
Due from other governments	760,463	-	760,463
Internal balances	3,854	(3,854)	-
Capital assets not being depreciated:			
Land	597,643	27,535	625,178
Capital assets being depreciated:			
Buildings and improvements	8,258,143	440,486	8,698,629
Furniture, fixtures, and equipment	5,607,734	2,482,687	8,090,421
Infrastructure assets	15,442,557	-	15,442,557
Less accumulated depreciation	<u>(16,061,582)</u>	<u>(1,113,245)</u>	<u>(17,174,827)</u>
Total capital assets, net of depreciation	<u>13,844,495</u>	<u>1,837,463</u>	<u>15,681,958</u>
Total assets	<u>22,705,175</u>	<u>3,618,892</u>	<u>26,324,067</u>
<b>LIABILITIES</b>			
Accounts payable	324,544	59,814	384,358
Accrued wages and benefits	118,407	-	118,407
Accrued interest payable	12,043	-	12,043
Long-term liabilities:			
Due within one year	448,044	-	448,044
Due in more than one year	<u>799,656</u>	<u>-</u>	<u>799,656</u>
Total liabilities	<u>1,702,694</u>	<u>59,814</u>	<u>1,762,508</u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	12,948,535	1,837,463	14,785,998
Restricted for:			
Debt service	314,759	508,621	823,380
Special revenue	3,963,956	-	3,963,956
Capital projects	122,390	-	122,390
Building maintenance	15,509	-	15,509
Unrestricted	<u>3,637,332</u>	<u>1,212,994</u>	<u>4,850,326</u>
Total net assets	<u><b>\$ 21,002,481</b></u>	<u><b>\$ 3,559,078</b></u>	<u><b>\$ 24,561,559</b></u>

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

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2011**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
<b>PRIMARY GOVERNMENT</b>						
<b>Governmental activities</b>						
General government	\$ 444,657	\$ -	\$ -	\$ -	\$ (444,657)	\$ (444,657)
Staff agencies	1,481,388	358,256	773,283	-	(349,849)	(349,849)
Finance agencies	694,390	-	-	-	(694,390)	(694,390)
Public safety	4,964,923	306,102	918,729	-	(3,740,092)	(3,740,092)
Public works	1,800,838	1,367,595	112,663	1,074,181	753,601	753,601
Health and social services	1,686,233	635,807	45	-	(1,050,381)	(1,050,381)
Building maintenance	266,688	-	-	-	(266,688)	(266,688)
Nondepartmental	1,509,602	-	-	-	(1,509,602)	(1,509,602)
Interest and fiscal charges	36,631	-	-	-	(36,631)	(36,631)
Total governmental activities	<u>12,885,350</u>	<u>2,667,760</u>	<u>1,804,720</u>	<u>1,074,181</u>	<u>(7,338,689)</u>	<u>(7,338,689)</u>
<b>Business-type activities</b>						
Landfill	1,952,684	1,508,195	-	12,050	\$ (432,439)	(432,439)
Total business-type activities	<u>1,952,684</u>	<u>1,508,195</u>	<u>-</u>	<u>12,050</u>	<u>(432,439)</u>	<u>(432,439)</u>
Total primary government	<u>\$ 14,838,034</u>	<u>\$ 4,175,955</u>	<u>\$ 1,804,720</u>	<u>\$ 1,086,231</u>	(7,338,689)	(432,439)
<b>GENERAL REVENUES</b>						
Property taxes levied for:						
General purposes					\$ 5,522,984	\$ -
Debt service					383,715	-
Special revenue projects					965,025	-
Accommodations tax					108,338	-
Interest and investment income					42,016	7,115
Intergovernmental, not restricted for specific purposes					945,308	-
Gain (loss) on disposal of capital assets					(12,187)	3,413
Miscellaneous					526,986	-
Transfers					(498,480)	498,480
Total general revenues and transfers					<u>7,983,705</u>	<u>509,008</u>
Change in net assets					645,016	76,569
Net assets beginning of year					<u>20,357,465</u>	<u>3,482,509</u>
Net assets end of year					<u>\$ 21,002,481</u>	<u>\$ 3,559,078</u>

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

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<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>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,876,104	\$ 1,744,087	\$ 581,081	\$ 312,666	\$ 302,953	\$ 994,442	\$ 6,811,333
Investments	73,768	45,092	15,023	8,084	7,833	6,218	156,018
Due from other funds	412,496	-	-	-	-	58,232	470,728
Receivables (net):							
Taxes	411,354	-	53,699	-	22,542	11,808	499,403
Accounts	-	-	205,485	8,157	-	412,467	626,109
Other	3,500	-	-	-	-	-	3,500
Due from other governments	622,036	75,168	-	-	202	63,057	760,463
<b>Total assets</b>	<b><u>\$ 4,399,258</u></b>	<b><u>\$ 1,864,347</u></b>	<b><u>\$ 855,288</u></b>	<b><u>\$ 328,907</u></b>	<b><u>\$ 333,530</u></b>	<b><u>\$ 1,546,224</u></b>	<b><u>\$ 9,327,554</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 279,541	\$ -	\$ 8,931	\$ 1,119	\$ -	\$ 34,953	\$ 324,544
Due to other funds	58,232	-	23,669	572	-	384,401	466,874
Accrued wages and benefits	118,407	-	-	-	-	-	118,407
Deferred revenue - Property taxes	341,791	-	44,714	-	18,771	9,794	415,070
<b>Total liabilities</b>	<b><u>797,971</u></b>	<b><u>-</u></b>	<b><u>77,314</u></b>	<b><u>1,691</u></b>	<b><u>18,771</u></b>	<b><u>429,148</u></b>	<b><u>1,324,895</u></b>
<b>FUND BALANCES</b>							
Restricted	15,509	1,864,347	777,974	327,216	314,759	1,116,809	4,416,614
Committed	59,391	-	-	-	-	267	59,658
Unassigned	3,526,387	-	-	-	-	-	3,526,387
<b>Total fund balances</b>	<b><u>3,601,287</u></b>	<b><u>1,864,347</u></b>	<b><u>777,974</u></b>	<b><u>327,216</u></b>	<b><u>314,759</u></b>	<b><u>1,117,076</u></b>	<b><u>8,002,659</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 4,399,258</u></b>	<b><u>\$ 1,864,347</u></b>	<b><u>\$ 855,288</u></b>	<b><u>\$ 328,907</u></b>	<b><u>\$ 333,530</u></b>	<b><u>\$ 1,546,224</u></b>	<b><u>\$ 9,327,554</u></b>

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, 2011**

Total fund balances - Governmental funds	<u>\$ 8,002,659</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	597,643
Buildings and improvements	8,258,143
Furniture, fixtures, and equipment	5,607,734
Infrastructure assets	15,442,557
Accumulated depreciation	<u>(16,061,582)</u>
Total capital assets	<u>13,844,495</u>
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.	
Property taxes	<u>415,070</u>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
General obligation debt	(597,275)
Capital leases payable	(298,685)
Accrued interest	(12,043)
Compensated absences	<u>(351,740)</u>
Total long-term liabilities	<u>(1,259,743)</u>
Net assets of governmental activities	<u><b>\$ 21,002,481</b></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, 2011**

	General	C Funds	EMS	911 Surcharge	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 5,489,695	\$ -	\$ 790,981	\$ -	\$ 383,646	\$ 628,824	\$ 7,293,146
Licenses, permits, and fees	351,502	-	-	-	-	-	351,502
Intergovernmental	1,739,613	868,748	-	129,649	-	381,248	3,119,258
Charges for services	6,754	-	565,033	-	-	1,119,058	1,690,845
Fines and forfeits	166,053	-	-	-	-	-	166,053
Local funds	-	-	-	-	-	607,856	607,856
Interest	24,228	9,532	2,518	1,529	1,422	2,787	42,016
Other	283,981	-	-	-	-	243,005	526,986
Total revenues	<u>8,061,826</u>	<u>878,280</u>	<u>1,358,532</u>	<u>131,178</u>	<u>385,068</u>	<u>2,982,778</u>	<u>13,797,662</u>
<b>EXPENDITURES</b>							
Current							
General government	427,112	-	-	-	-	-	427,112
Staff agencies	1,437,525	-	-	-	-	-	1,437,525
Finance agencies	668,072	-	-	-	-	-	668,072
Public safety	3,591,705	-	-	127,230	-	1,017,902	4,736,837
Public works	168,203	1,313,897	-	-	-	843,412	2,325,512
Health and social services	86,005	-	1,276,309	-	-	253,740	1,616,054
Building maintenance	266,688	-	-	-	-	-	266,688
Nondepartmental	1,419,520	-	-	-	-	93,418	1,512,938
Capital outlay	248,408	-	-	-	-	444,734	693,142
Debt service:							
Principal retirement	-	-	-	-	338,505	-	338,505
Interest and fiscal charges	-	-	-	-	42,872	-	42,872
Total expenditures	<u>8,313,238</u>	<u>1,313,897</u>	<u>1,276,309</u>	<u>127,230</u>	<u>381,377</u>	<u>2,653,206</u>	<u>14,065,257</u>
Excess of revenues over (under) expenditures	<u>(251,412)</u>	<u>(435,617)</u>	<u>82,223</u>	<u>3,948</u>	<u>3,691</u>	<u>329,572</u>	<u>(267,595)</u>
Other financing sources (uses):							
Capital lease issuance	151,655	-	-	-	-	-	151,655
Transfers in	175,883	-	-	-	-	326,232	502,115
Transfers out	(321,735)	-	(15,000)	-	-	(663,860)	(1,000,595)
Total other financing sources (uses)	<u>5,803</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>(337,628)</u>	<u>(346,825)</u>
Net change in fund balances	(245,609)	(435,617)	67,223	3,948	3,691	(8,056)	(614,420)
Fund balances, beginning of year	<u>3,846,896</u>	<u>2,299,964</u>	<u>710,751</u>	<u>323,268</u>	<u>311,068</u>	<u>1,125,132</u>	<u>8,617,079</u>
Fund balances, end 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>

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

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2011**

Net change in fund balances - Total government funds	\$ (614,420)
<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	1,709,078
Depreciation expense	<u>(877,253)</u>
Excess of capital outlay over (under) depreciation expense	<u>831,825</u>
<p>Contributed property is not reported as revenue in governmental funds. However, in the statement of activities, the cost of the property contributed is reported in the current period. In the current period, these amounts are:</p>	
Contributed Property	<u>205,433</u>
<p>The cost of capital assets removed from the capital asset account on the statement of net assets resulting in a loss on disposal of capital assets on the statement of activities</p>	
Loss on disposal of capital assets	<u>(12,187)</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>37,938</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>	
Capital leases	<u>(151,655)</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	169,675
Capital lease principal payments	<u>196,759</u>
Total long-term debt repayment	<u>366,434</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>(24,593)</u>
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>	
	<u>6,241</u>
Change in net assets of government activities	<u><u>\$ 645,016</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, 2011**

<b>ASSETS</b>		
Cash and cash equivalents		\$ 1,159,458
Restricted cash and equivalents		508,621
Investments		43,127
Accounts receivable		74,077
Capital assets		
Land		27,535
Buildings and improvements		440,486
Furniture, fixtures, and equipment		2,482,687
Accumulated depreciation		<u>(1,113,245)</u>
Total assets		<u>3,622,746</u>
 <b>LIABILITIES AND NET ASSETS</b>  		
<b>LIABILITIES</b>		
Accounts payable		59,814
Due to other funds		<u>3,854</u>
Total liabilities		<u>63,668</u>
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt		1,837,463
Restricted		508,621
Unrestricted		<u>1,212,994</u>
Total net assets		<u><u>\$ 3,559,078</u></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, 2011**

<b>OPERATING REVENUES</b>	
User charges - Other governments	\$ 580,758
Landfill user charges - Other	<u>927,437</u>
Total operating revenues	<u>1,508,195</u>
<b>OPERATING EXPENSES</b>	
Salaries and fringe benefits	392,747
Costs of services	1,300,084
Depreciation	<u>256,642</u>
Total operating expenses	<u>1,949,473</u>
Operating loss	(441,278)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental revenues	12,050
Gain on sale of capital assets	3,413
Interest income	7,115
Interest expense	<u>(3,211)</u>
Net loss before transfers	(421,911)
<b>TRANSFERS IN</b>	513,480
<b>TRANSFERS OUT</b>	<u>(15,000)</u>
Change in net assets	76,569
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,482,509</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 3,559,078</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, 2011**

<b>OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,507,304
Payments to suppliers	(1,326,185)
Payments to employees	<u>(392,747)</u>
Net cash used for operations	<u>(211,628)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	513,480
Transfers to other funds	(15,000)
Increase in due to other funds	<u>651</u>
Net cash provided by noncapital financing activities	<u>499,131</u>
<b>INVESTING ACTIVITIES</b>	
Purchase of investments	(43,127)
Maturities of investments	116,505
Interest income	<u>7,115</u>
Net cash provided by investing activities	<u>80,493</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Intergovernmental revenues	12,050
Acquisition of capital assets	(293,208)
Interest expense	(3,211)
Repayments on lease obligations	(56,242)
Proceeds from sale of capital assets	<u>204,133</u>
Net cash used for capital and related financing activities	<u>(136,478)</u>
Net increase in cash and cash equivalents	231,518
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,436,561</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 1,668,079</u></b>
<b>Reconciliation of operating loss to net cash used for</b>	
<b>Operating activities</b>	
Operating loss	\$ (441,278)
Adjustments to reconcile operating loss to net cash used for operations	
Depreciation	256,642
Changes in deferred and accrued amounts	
Accounts receivable	(891)
Accounts payable	<u>(26,101)</u>
Net cash used for operating activities	<b><u>\$ (211,628)</u></b>

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

**COUNTY OF EDGEFIELD, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011**

<b>ASSETS</b>		
Cash and cash equivalents		\$ 2,690,365
Investments		51,253
Property taxes receivable		979,520
Due from other governments		<u>523,368</u>
 Total assets		 <b><u>\$ 4,244,506</u></b>
<b>LIABILITIES</b>		
Due to other governments		12,502
Due to other taxing districts and agencies		<u>4,232,004</u>
 Total liabilities		 <b><u>\$ 4,244,506</u></b>

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 and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide financial statements**

The statement of net assets and the statement of activities display information about the County as a 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**

**Capital projects funds**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

**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.

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

**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.

(Continued)

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### **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.

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.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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 2011 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.

**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;

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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;
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, 2011.

**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.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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.

**Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. 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.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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.

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 28, 2011, 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, 2011, the carrying amount of the County's deposits was \$2,377,018 and the bank balance was \$2,110,828. 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.

**Investments**

As of June 30, 2011, the County had the following investments:

<u>June 30, 2011</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Maturities</u>
South Carolina local government investment pool	\$ 8,792,109	\$ 8,792,109	No maturity
Federal national mortgage association security	250,398	250,398	> 3 yrs
	<u>\$ 9,042,507</u>	<u>\$ 9,042,507</u>	

**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, 2011, 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.

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, 2011 was \$4,608 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	\$ 419,749	\$ 54,795	\$ 23,002	\$ 12,049	\$ 999,341
Less: Allowance	<u>(8,395)</u>	<u>(1,096)</u>	<u>(460)</u>	<u>(241)</u>	<u>(19,821)</u>
Net taxes receivable	<u>\$ 411,354</u>	<u>\$ 53,699</u>	<u>\$ 22,542</u>	<u>\$ 11,808</u>	<u>\$ 979,520</u>

**NOTE 4 - CAPITAL ASSETS**

Primary Government capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2011</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated					
Land	\$ 597,643	\$ -	\$ -	\$ -	\$ 597,643
Construction in process	<u>676,759</u>	<u>280,807</u>	<u>(12,187)</u>	<u>(945,379)</u>	<u>-</u>
Total capital assets at historical cost not being depreciated	<u>1,274,402</u>	<u>280,807</u>	<u>(12,187)</u>	<u>(945,379)</u>	<u>597,643</u>
Capital assets being depreciated					
Infrastructure	14,355,452	1,087,105	-	-	15,442,557
Building and improvements	7,138,480	174,284	-	945,379	8,258,143
Furniture, fixtures and equipment	<u>5,235,419</u>	<u>372,315</u>	<u>-</u>	<u>-</u>	<u>5,607,734</u>
Total capital assets at historical cost being depreciated	<u>26,729,351</u>	<u>1,633,704</u>	<u>-</u>	<u>945,379</u>	<u>29,308,434</u>
Less accumulated depreciation for:					
Infrastructure	(7,261,741)	(344,978)	-	-	(7,606,719)
Buildings, improvements and equipment	<u>(7,922,588)</u>	<u>(532,275)</u>	<u>-</u>	<u>-</u>	<u>(8,454,863)</u>
Total accumulated depreciation	<u>(15,184,329)</u>	<u>(877,253)</u>	<u>-</u>	<u>-</u>	<u>(16,061,582)</u>
Total capital assets being depreciated, net	<u>11,545,022</u>	<u>756,451</u>	<u>-</u>	<u>945,379</u>	<u>13,246,852</u>
Governmental activities capital assets, net	<u>\$ 12,819,424</u>	<u>\$ 1,037,258</u>	<u>\$ (12,187)</u>	<u>\$ -</u>	<u>\$ 13,844,495</u>

Depreciation expense was charged to functions as follows:

General Government	\$ 17,545
Staff Agencies	43,863
Finance Agencies	26,318
Public Safety	228,086
Public Works	491,262
Health and Social Services	<u>70,179</u>
Total Governmental Activities Depreciation Expense	<u>\$ 877,253</u>

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>
<b>Business-type activities</b>				
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>2,755,168</u>	<u>293,208</u>	<u>(565,689)</u>	<u>2,482,687</u>
Total capital assets at historical cost being depreciated	<u>3,195,654</u>	<u>293,208</u>	<u>(565,689)</u>	<u>2,923,173</u>
Less accumulated depreciation	<u>(1,221,572)</u>	<u>(256,642)</u>	<u>364,969</u>	<u>(1,113,245)</u>
Total capital assets being depreciated, net	<u>1,974,082</u>	<u>36,566</u>	<u>(200,720)</u>	<u>1,809,928</u>
Business-type activities capital assets, net	<u>\$ 2,001,617</u>	<u>\$ 36,566</u>	<u>\$ (200,720)</u>	<u>\$ 1,837,463</u>

**NOTE 5 - LONG-TERM DEBT**

Bonds payable at June 30, 2011 are comprised of the following individual issues:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Amounts due within one year
<b>General obligation bonds</b>					
\$640,000 1980 Law Enforcement Center \$37,300 for principal and interest and interest through April 2013, interest at 3.85%	\$ 62,500	\$ -	\$ 20,500	\$ 42,000	\$ 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%	71,950	-	22,675	49,275	22,675
\$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%	250,000	-	50,000	200,000	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%	382,500	-	76,500	306,000	76,500
	<u>\$ 766,950</u>	<u>\$ -</u>	<u>\$ 169,675</u>	<u>\$ 597,275</u>	<u>\$ 170,175</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments, are as follows:

Year ending June 30,	General obligation bonds		
	Principal	Interest	Total
2012	\$ 170,175	\$ 21,532	\$ 191,707
2013	160,800	15,345	176,145
2014	139,800	9,521	149,321
2015	126,500	4,504	131,004
	<u>\$ 597,275</u>	<u>\$ 50,902</u>	<u>\$ 648,177</u>

Debt service funds of \$314,759 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 \$73,081,921 (unaudited), the legal debt limit is \$5,846,554, leaving a legal debt margin as of June 30, 2011 of \$5,564,038.

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

(Continued)

**NOTE 5 - LONG-TERM DEBT, Continued**

**Changes in long-term debt**

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2011:

	<u>Lease obligations</u>		<u>Estimated long-term liability for annual leave</u>	<u>General obligation bonds</u>
	<u>Enterprise fund</u>	<u>Governmental funds</u>		
Payable at July 1, 2010	\$ 56,242	\$ 343,789	\$ 327,147	\$ 766,950
Amounts incurred	-	151,655	78,152	-
Amounts retired	<u>(56,242)</u>	<u>(196,759)</u>	<u>(53,559)</u>	<u>(169,675)</u>
Payable at June 30, 2011	<u>\$ -</u>	<u>\$ 298,685</u>	<u>\$ 351,740</u>	<u>\$ 597,275</u>
Amounts due within one year	<u>\$ -</u>	<u>\$ 223,869</u>	<u>\$ 54,000</u>	<u>\$ 170,175</u>

**NOTE 6 - INTERFUND ASSETS AND LIABILITIES**

The balances of interfund receivables and payables at June 30, 2011 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	EMS	\$ 23,669
General Fund	Enterprise Fund-Landfill	3,854
General Fund	911 Surcharge	572
General Fund	Nonmajor Governmental	<u>384,401</u>
		<u>\$ 412,496</u>
Nonmajor Governmental	General Fund	<u>\$ 58,232</u>
		<u>\$ 58,232</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30, 2011 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, 2011 consisted of the following individual amounts:

General Fund	EMS	15,000
General Fund	Enterprise Fund - Landfill	<u>15,000</u>
		<u>175,883</u>
Nonmajor Governmental	Nonmajor Governmental	4,497
Nonmajor Governmental	General Fund	<u>321,735</u>
		<u>326,232</u>
Total governmental fund transfers in		<u>\$ 502,115</u>
Enterprise Fund - Landfill	Nonmajor Governmental	<u>\$ 513,480</u>

**NOTE 7 - FUND BALANCES**

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2011, are as follows:

	General					Other	
	Fund	C Funds	EMS	911 Surcharge	Debt Service	Nonmajor Funds	Total
<b>Fund balances;</b>							
<b>Restricted for:</b>							
Building maintenance	15,509	-	-	-	-	-	15,509
Public works	-	1,864,347	-	-	-	521,789	2,386,136
Health/social services	-	-	777,974	-	-	178,987	956,961
Public safety	-	-	-	327,216	-	259,881	587,097
Industrial development	-	-	-	-	-	33,762	33,762
Debt service	-	-	-	-	314,759	-	314,759
Capital outlay	-	-	-	-	-	122,390	122,390
<b>Committed to:</b>							
Building maintenance	59,385	-	-	-	-	-	59,385
Library maintenance	6	-	-	-	-	-	6
Capital outlay	-	-	-	-	-	267	267
<b>Unassigned (deficit):</b>	<b>3,526,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,526,387</b>
Total fund balances	\$ 3,601,287	\$ 1,864,347	\$ 777,974	\$ 327,216	\$ 314,759	\$ 1,117,076	\$ 8,002,659

**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 \$5,973,242, \$5,859,680 and \$5,899,674 for the years ended June 30, 2011, 2010 and 2009, 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 6.50% of their salary for the year ended June 30, 2011 (6.50% for the year ended June 30, 2010 and 6.50% for the year ended June 2009). The County is required to contribute 9.24% of employees' salary for the year ended June 30, 2011 (9.24% for the year ended June 30, 2010 and 9.24% for the year ended June 30, 2009).

(Continued)

**NOTE 8 - EMPLOYEE BENEFITS, Continued**

Police Officers Retirement System (PORS) - Participating employees contribute 6.50% of their annual covered payroll. The County contributes on their behalf 11.13% 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, 2011 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, 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
June 30, 2009	\$ 381,084	6.50 & 6.50%	\$ 588,884	9.24 & 10.30%	\$ 969,968

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, 2011, 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, 2011:

	<b>Governmental funds</b>
Machinery and equipment	\$ 1,691,486
Less: Accumulated depreciation	<u>(1,294,791)</u>
	<b><u>\$ 396,695</u></b>

(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, 2011:

<u>Fiscal year ending June 30,</u>	<u>Governmental funds</u>
2012	\$ 236,680
2013	55,366
2014	<u>23,068</u>
Total minimum lease payments	315,114
Less: Amount representing interest	<u>(16,429)</u>
Present value of future minimum lease payments	<u><b>\$ 298,685</b></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>
2012	\$ 8,000
2013	8,000
2014	8,000
2015	8,000
2016	8,000
2017-2021	40,000
2022-2026	40,000
2027-2031	<u>40,000</u>
	<u><b>\$ 160,000</b></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, 2011**

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
<b>REVENUES</b>				
Taxes	\$ 5,409,915	\$ 5,409,915	\$ 5,489,695	\$ 79,780
Licenses, permits and fees	392,800	392,800	351,502	(41,298)
Intergovernmental	1,586,618	1,586,618	1,739,613	152,995
Charges for services	10,500	10,500	6,754	(3,746)
Fines and forfeits	105,000	105,000	166,053	61,053
Interest	35,000	35,000	24,228	(10,772)
Other	154,500	154,500	283,981	129,481
Total revenues	<u>7,694,333</u>	<u>7,694,333</u>	<u>8,061,826</u>	<u>367,493</u>
<b>EXPENDITURES</b>				
Budgeted				
Current				
General government	476,014	427,267	427,112	155
Staff agencies	1,465,409	1,483,843	1,418,888	64,955
Finance agencies	681,407	689,900	668,072	21,828
Public safety	3,578,849	3,617,824	3,591,705	26,119
Public works	93,607	95,184	93,287	1,897
Health and social services	91,775	91,775	86,005	5,770
Building maintenance	291,155	290,955	266,688	24,267
Nondepartmental	1,512,100	1,486,608	1,419,520	67,088
Capital outlay	23,350	46,908	52,875	(5,967)
Total budgeted expenditures	<u>8,213,666</u>	<u>8,230,264</u>	<u>8,024,152</u>	<u>206,112</u>
Nonbudgeted				
Current				
Staff agencies	-	-	18,637	(18,637)
Public works	-	-	74,916	(74,916)
Capital Outlay	-	-	195,533	(195,533)
Total expenditures	<u>8,213,666</u>	<u>8,230,264</u>	<u>8,313,238</u>	<u>(82,974)</u>
Excess (deficiency) of revenues under expenditures	<u>(519,333)</u>	<u>(535,931)</u>	<u>(251,412)</u>	<u>284,519</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease issuance	-	-	151,655	151,655
Transfers in	167,783	167,783	175,883	8,100
Transfers out	(180,613)	(180,613)	(321,735)	(141,122)
Total other financing sources (uses)	<u>(12,830)</u>	<u>(12,830)</u>	<u>5,803</u>	<u>18,633</u>
Excess (deficiency) of revenues and other financing sources under expenditures and other uses	<u>(532,163)</u>	<u>(548,761)</u>	<u>(245,609)</u>	<u>303,152</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>3,846,896</u>	<u>3,846,896</u>	<u>3,846,896</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><b>\$ 3,314,733</b></u>	<u><b>\$ 3,298,135</b></u>	<u><b>\$ 3,601,287</b></u>	<u><b>\$ 303,152</b></u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL**  
**For the year ended June 30, 2011**

	Budget - original	Budget - final	Actual	Variance positive (negative)
<b>GENERAL GOVERNMENT</b>				
County council				
Personnel services	\$ 55,223	\$ 55,223	\$ 55,226	\$ (3)
Operating expenses	90,280	35,483	16,599	18,884
Total county council	<u>145,503</u>	<u>90,706</u>	<u>71,825</u>	<u>18,881</u>
County administrator's office				
Personnel services	296,161	302,211	326,444	(24,233)
Operating expenses	34,350	34,350	28,843	5,507
Capital outlay	1,700	1,200	98	1,102
Total county administrator's office	<u>332,211</u>	<u>337,761</u>	<u>355,385</u>	<u>(17,624)</u>
Total current expenditures	476,014	427,267	427,112	155
Total capital outlay	1,700	1,200	98	1,102
Total general government	<u>477,714</u>	<u>428,467</u>	<u>427,210</u>	<u>1,257</u>
<b>STAFF AGENCIES</b>				
Clerk of court				
Personnel services	233,442	238,025	238,644	(619)
Operating expenses	128,908	129,008	124,507	4,501
Capital outlay	500	400	-	400
Total clerk of court	<u>362,850</u>	<u>367,433</u>	<u>363,151</u>	<u>4,282</u>
Circuit court				
Personnel services	11,704	11,704	12,260	(556)
Operating expenses	68,100	68,100	49,513	18,587
Total circuit court	<u>79,804</u>	<u>79,804</u>	<u>61,773</u>	<u>18,031</u>
County archives				
Personnel services	34,193	34,815	34,140	675
Operating expenses	4,450	4,450	1,814	2,636
Total county archives	<u>38,643</u>	<u>39,265</u>	<u>35,954</u>	<u>3,311</u>
Coroner				
Personnel services	51,960	52,935	52,911	24
Operating expenses	29,595	29,595	27,687	1,908
Total coroner	<u>81,555</u>	<u>82,530</u>	<u>80,598</u>	<u>1,932</u>
Veterans' affairs				
Personnel services	67,757	68,550	68,500	50
Operating expenses	8,500	8,500	6,839	1,661
Total veterans' affairs	<u>76,257</u>	<u>77,050</u>	<u>75,339</u>	<u>1,711</u>
County attorney				
Personnel services	23,533	23,533	23,422	111
Operating expenses	725	725	80	645
Total county attorney	<u>24,258</u>	<u>24,258</u>	<u>23,502</u>	<u>756</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL**  
**For the year ended June 30, 2011**

	Budget - original	Budget - final	Actual	Variance positive (negative)
<b>STAFF AGENCIES, Continued</b>				
Magistrate				
Personnel services	277,435	281,512	262,016	19,496
Operating expenses	37,200	37,200	30,138	7,062
Total magistrate	<u>314,635</u>	<u>318,712</u>	<u>292,154</u>	<u>26,558</u>
Probate judge				
Personnel services	156,435	159,486	159,750	(264)
Operating expenses	17,000	16,300	16,377	(77)
Capital outlay	-	700	-	700
Total probate judge	<u>173,435</u>	<u>176,486</u>	<u>176,127</u>	<u>359</u>
Board of registration				
Personnel services	68,235	69,522	66,697	2,825
Operating expenses	30,610	30,610	25,197	5,413
Total board of registration	<u>98,845</u>	<u>100,132</u>	<u>91,894</u>	<u>8,238</u>
Tri-county public defender				
Operating expenses	15,050	15,050	11,291	3,759
Planning commission				
Personnel services	175,677	179,323	183,119	(3,796)
Operating expenses	23,900	23,900	23,093	807
Total planning commission	<u>199,577</u>	<u>203,223</u>	<u>206,212</u>	<u>(2,989)</u>
Circuit judge				
Operating expenses	1,000	1,000	893	107
Total current expenditures	1,465,409	1,483,843	1,418,888	64,955
Total capital outlay	500	1,100	-	1,100
Total staff agencies	<u>1,465,909</u>	<u>1,484,943</u>	<u>1,418,888</u>	<u>66,055</u>
<b>FINANCE AGENCIES</b>				
Tax assessor				
Personnel services	227,870	231,145	197,403	33,742
Operating expenses	59,070	59,526	45,389	14,137
Total tax assessor	<u>286,940</u>	<u>290,671</u>	<u>242,792</u>	<u>47,879</u>
Auditor				
Personnel services	97,702	99,628	103,622	(3,994)
Operating expenses	8,445	8,445	4,784	3,661
Total auditor	<u>106,147</u>	<u>108,073</u>	<u>108,406</u>	<u>(333)</u>
Treasurer				
Personnel services	105,525	107,606	107,770	(164)
Operating expenses	52,600	52,140	52,017	123
Capital outlay	-	460	-	460
Total treasurer	<u>158,125</u>	<u>160,206</u>	<u>159,787</u>	<u>419</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL**  
**For the year ended June 30, 2011**

	Budget - original	Budget - final	Actual	Variance positive (negative)
<b>FINANCE AGENCIES, Continued</b>				
Tax collector				
Personnel services	60,995	62,210	62,350	(140)
Operating expenses	69,200	69,200	94,737	(25,537)
Capital outlay	-	-	1,260	(1,260)
Total tax collector	<u>130,195</u>	<u>131,410</u>	<u>158,347</u>	<u>(26,937)</u>
Total current expenditures	681,407	689,900	668,072	21,828
Total capital outlay	-	460	1,260	(800)
Total finance agencies	<u>681,407</u>	<u>690,360</u>	<u>669,332</u>	<u>21,028</u>
<b>PUBLIC SAFETY</b>				
Sheriff's office				
Personnel services	1,595,042	1,617,313	1,605,949	11,364
Operating expenses	248,250	248,250	279,563	(31,313)
Capital outlay	5,500	28,000	27,626	374
Total sheriff's office	<u>1,848,792</u>	<u>1,893,563</u>	<u>1,913,138</u>	<u>(19,575)</u>
E911 dispatch operator				
Personnel services	391,615	397,807	365,972	31,835
Operating expenses	28,700	28,700	29,128	(428)
Total E911 dispatch operator	<u>420,315</u>	<u>426,507</u>	<u>395,100</u>	<u>31,407</u>
County jail				
Personnel services	655,500	664,709	644,896	19,813
Operating expenses	441,000	441,200	470,973	(29,773)
Total county jail	<u>1,096,500</u>	<u>1,105,909</u>	<u>1,115,869</u>	<u>(9,960)</u>
Animal control				
Personnel services	39,050	39,724	36,678	3,046
Operating expenses	74,980	74,980	53,393	21,587
Total animal control	<u>114,030</u>	<u>114,704</u>	<u>90,071</u>	<u>24,633</u>
Emergency preparedness				
Personnel services	28,562	28,991	29,003	(12)
Operating expenses	76,150	76,150	76,150	-
Capital outlay	2,500	2,500	17,618	(15,118)
Total emergency preparedness	<u>107,212</u>	<u>107,641</u>	<u>122,771</u>	<u>(15,130)</u>
Total current expenditures	3,578,849	3,617,824	3,591,705	26,119
Total capital outlay	8,000	30,500	45,244	(14,744)
Total public safety	<u>3,586,849</u>	<u>3,648,324</u>	<u>3,636,949</u>	<u>11,375</u>
<b>PUBLIC WORKS</b>				
Maintenance garage				
Personnel services	83,457	85,034	84,705	329
Operating expenses	7,150	7,150	7,206	(56)
Capital outlay	-	500	-	500
Total maintenance garage	<u>90,607</u>	<u>92,684</u>	<u>91,911</u>	<u>773</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL**  
**For the year ended June 30, 2011**

	<u>Budget - original</u>	<u>Budget - final</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
<b>PUBLIC WORKS, continued</b>				
Fuel site				
Operating expenses	3,000	3,000	1,376	1,624
Total current expenditures	93,607	95,184	93,287	1,897
Total capital outlay	-	500	-	500
Total public works	93,607	95,684	93,287	2,397
<b>HEALTH AND SOCIAL SERVICES</b>				
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	36,900	36,900	34,192	2,708
Alcohol and drug abuse				
Operating expenses	45,000	45,000	42,513	2,487
County health department				
Operating expenses	6,300	6,300	6,300	-
Total current expenditures	91,775	91,775	86,005	5,770
Total health and social services	91,775	91,775	86,005	5,770
<b>BUILDING MAINTENANCE</b>				
Courthouse building				
Operating expenses	61,125	61,125	56,086	5,039
County council chambers				
Operating expenses	14,850	14,850	15,172	(322)
County auditor's building				
Operating expenses	4,300	4,300	1,789	2,511
Department of social services building				
Operating expenses	21,860	21,860	19,527	2,333
County administrative building				
Operating expenses	9,800	9,800	11,055	(1,255)
Agriculture building				
Operating expenses	14,550	14,550	14,285	265
Health building				
Operating expenses	2,800	2,800	3,667	(867)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET (GAAP) AND ACTUAL**  
**For the year ended June 30, 2011**

	Budget - original	Budget - final	Actual	Variance positive (negative)
<b>BUILDING MAINTENANCE, Continued</b>				
Magistrate building				
Operating expenses	7,250	7,250	6,668	582
Neighborhood center - Salary and utilities				
Operating expenses	33,670	33,670	27,880	5,790
Sheriff's building				
Operating expenses	31,150	31,150	31,909	(759)
Capital outlay	800	800	138	662
Total sheriff's building	31,950	31,950	32,047	(97)
County jail building				
Operating expenses	71,700	71,500	71,267	233
Capital outlay	12,350	12,348	6,135	6,213
Total county jail building	84,050	83,848	77,402	6,446
Maintenance garage				
Operating expense	4,300	4,300	3,924	376
Kneece building				
Operating expense	13,800	13,800	3,459	10,341
Total current expenditures	291,155	290,955	266,688	24,267
Total capital outlay	13,150	13,148	6,273	6,875
Total building maintenance	304,305	304,103	272,961	31,142
<b>NONDEPARTMENTAL</b>				
Miscellaneous	3,456	3,456	3,149	307
County agent	33,783	33,783	33,783	-
Employment and social security office	850	850	420	430
Soil and water conservation office	2,000	2,000	2,000	-
Probation office	1,925	1,925	1,640	285
Upper Savannah Council of Governments	17,882	17,882	17,882	-
Piedmont Technical Education Center	43,000	43,000	43,000	-
Professional services	1,218,254	1,176,164	1,109,162	67,002
ABBE Regional Library	180,950	197,548	198,984	(1,436)
Non-profit organizations	10,000	10,000	9,500	500
Total current expenditures	1,512,100	1,486,608	1,419,520	67,088
Total nondepartmental	1,512,100	1,486,608	1,419,520	67,088
Total budgeted expenditures	<b>\$ 8,213,666</b>	<b>\$ 8,230,264</b>	<b>\$ 8,024,152</b>	<b>\$ 206,112</b>
<b>NONBUDGETED EXPENSES</b>				
Board of registration - poll workers	-	-	18,637	-
Emergency preparedness - tower project	-	-	74,916	-
Capital outlay	-	-	195,533	-
Total current expenditures	8,190,316	8,183,356	8,064,830	118,526
Total capital outlay	23,350	46,908	248,408	(201,500)
Total expenditures	<b>\$ 8,213,666</b>	<b>\$ 8,230,264</b>	<b>\$ 8,313,238</b>	<b>\$ (82,974)</b>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 870,420	\$ 124,022	\$ 994,442
Investments	6,218	-	6,218
Due from other funds	58,232	-	58,232
Property taxes receivable	11,808	-	11,808
Accounts receivable	169,239	243,228	412,467
Due from other governments	<u>63,057</u>	<u>-</u>	<u>63,057</u>
Total assets	<u><b>\$ 1,178,974</b></u>	<u><b>\$ 367,250</b></u>	<u><b>\$ 1,546,224</b></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 33,588	\$ 1,365	\$ 34,953
Due to other funds	141,173	243,228	384,401
Deferred revenue - Property taxes	<u>9,794</u>	<u>-</u>	<u>9,794</u>
Total liabilities	<u>184,555</u>	<u>244,593</u>	<u>429,148</u>
<b>Fund balances</b>			
Restricted	994,419	122,390	1,116,809
Committed	<u>-</u>	<u>267</u>	<u>267</u>
Total fund balances	<u>994,419</u>	<u>122,657</u>	<u>1,117,076</u>
Total liabilities and fund balances	<u><b>\$ 1,178,974</b></u>	<u><b>\$ 367,250</b></u>	<u><b>\$ 1,546,224</b></u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended June 30, 2011**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 628,824	\$ -	\$ 628,824
Intergovernmental	381,248	-	381,248
Charges for services	1,119,058	-	1,119,058
Local funds	607,856	-	607,856
Interest	2,787	-	2,787
Other	-	243,005	243,005
Total revenues	2,739,773	243,005	2,982,778
<b>EXPENDITURES</b>			
Public works	843,412	-	843,412
Public safety	1,017,902	-	1,017,902
Health and social services	253,740	-	253,740
Capital outlay	-	444,734	444,734
Nondepartmental	93,418	-	93,418
Total expenditures	2,208,472	444,734	2,653,206
Excess (deficiency) of revenues over (under) expenditures	531,301	(201,729)	329,572
Other financing sources (uses):			
Transfers in	326,232	-	326,232
Transfers out	(655,760)	(8,100)	(663,860)
Total other financing sources (uses)	(329,528)	(8,100)	(337,628)
Net change in fund balances	201,773	(209,829)	(8,056)
Fund balances, beginning of the year	792,646	332,486	1,125,132
Fund balances, end of the year	<b>\$ 994,419</b>	<b>\$ 122,657</b>	<b>\$ 1,117,076</b>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

	School Resource Officer I	School Resource Officer II	"C" funds	Industrial Development	Victim's Bill of Rights	SCCFG Grant	County Tire Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 1,744,087	\$ 33,616	\$ 17,325	\$ 647	\$ 34,070
Investments	-	-	45,092	-	-	-	-
Property taxes receivable	-	-	-	4,181	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	58,232	-	-
Due from other governments	7,885	3,494	75,168	-	-	-	2,516
	<u>7,885</u>	<u>3,494</u>	<u>75,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,516</u>
Total assets	<u>\$ 7,885</u>	<u>\$ 3,494</u>	<u>\$ 1,864,347</u>	<u>\$ 37,797</u>	<u>\$ 75,557</u>	<u>\$ 647</u>	<u>\$ 36,586</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 571	\$ 42	\$ -	\$ 2,936
Deferred revenue - property taxes	-	-	-	3,464	-	-	-
Due to other funds	7,883	3,494	-	-	-	-	-
	<u>7,883</u>	<u>3,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,883</u>	<u>3,494</u>	<u>-</u>	<u>4,035</u>	<u>42</u>	<u>-</u>	<u>2,936</u>
Fund balances							
Restricted	2	-	1,864,347	33,762	75,515	647	33,650
	<u>2</u>	<u>-</u>	<u>1,864,347</u>	<u>33,762</u>	<u>75,515</u>	<u>647</u>	<u>33,650</u>
Total fund balances	<u>2</u>	<u>-</u>	<u>1,864,347</u>	<u>33,762</u>	<u>75,515</u>	<u>647</u>	<u>33,650</u>
Total liabilities and fund balances	<u>\$ 7,885</u>	<u>\$ 3,494</u>	<u>\$ 1,864,347</u>	<u>\$ 37,797</u>	<u>\$ 75,557</u>	<u>\$ 647</u>	<u>\$ 36,586</u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

	<u>911 Surcharge</u>	<u>User Fee Fund</u>	<u>Road Fee Fund</u>	<u>Assistant Solicitor</u>	<u>Solicitor</u>	<u>Burglar</u>	<u>Forestry</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 312,666	\$ 240,490	\$ 128,903	\$ -	\$ 47,749	\$ 5,795	\$ 29,545
Investments	8,084	6,218	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-
Accounts receivable	8,157	97,470	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	21,229	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><b>\$ 328,907</b></u>	<u><b>\$ 344,178</b></u>	<u><b>\$ 128,903</b></u>	<u><b>\$ 21,229</b></u>	<u><b>\$ 47,749</b></u>	<u><b>\$ 5,795</b></u>	<u><b>\$ 29,545</b></u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 1,119	\$ 1,712	\$ 8,710	\$ -	\$ 3,243	\$ -	\$ -
Deferred revenue - property taxes	-	-	-	-	-	-	-
Due to other funds	572	446	3,619	21,229	10,785	-	-
	<u>1,691</u>	<u>2,158</u>	<u>12,329</u>	<u>21,229</u>	<u>14,028</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,691</u>	<u>2,158</u>	<u>12,329</u>	<u>21,229</u>	<u>14,028</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	327,216	342,020	116,574	-	33,721	5,795	29,545
Total fund balances	<u>327,216</u>	<u>342,020</u>	<u>116,574</u>	<u>-</u>	<u>33,721</u>	<u>5,795</u>	<u>29,545</u>
Total liabilities and fund balances	<u><b>\$ 328,907</b></u>	<u><b>\$ 344,178</b></u>	<u><b>\$ 128,903</b></u>	<u><b>\$ 21,229</b></u>	<u><b>\$ 47,749</b></u>	<u><b>\$ 5,795</b></u>	<u><b>\$ 29,545</b></u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2011**

	<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>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 581,081	\$ 131,197	\$ 336	\$ -	\$ -	\$ 2,404	\$ 1,829
Investments	15,023	-	-	-	-	-	-
Property taxes receivable	53,699	7,627	-	-	-	-	-
Accounts receivable	205,485	-	-	-	-	-	16,529
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	2,667	25,266	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<b><u>\$ 855,288</u></b>	<b><u>\$ 138,824</u></b>	<b><u>\$ 336</u></b>	<b><u>\$ 2,667</u></b>	<b><u>\$ 25,266</u></b>	<b><u>\$ 2,404</u></b>	<b><u>\$ 18,358</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 8,931	\$ 11,733	\$ -	\$ -	\$ -	\$ -	\$ 1,990
Deferred revenue - property taxes	44,714	6,330	-	-	-	-	-
Due to other funds	23,669	724	-	2,667	25,266	-	14,347
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>77,314</u>	<u>18,787</u>	<u>-</u>	<u>2,667</u>	<u>25,266</u>	<u>-</u>	<u>16,337</u>
Fund balances							
Restricted	<u>777,974</u>	<u>120,037</u>	<u>336</u>	<u>-</u>	<u>-</u>	<u>2,404</u>	<u>2,021</u>
Total fund balances	<u>777,974</u>	<u>120,037</u>	<u>336</u>	<u>-</u>	<u>-</u>	<u>2,404</u>	<u>2,021</u>
Total liabilities and fund balances	<b><u>\$ 855,288</u></b>	<b><u>\$ 138,824</u></b>	<b><u>\$ 336</u></b>	<b><u>\$ 2,667</u></b>	<b><u>\$ 25,266</u></b>	<b><u>\$ 2,404</u></b>	<b><u>\$ 18,358</u></b>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

	<b>SC Prosecution Commission CDV Grant</b>	<b>Sheriff Grants</b>	<b>Clerk of Court Grants</b>	<b>Total all funds</b>	<b>Less Major Funds</b>	<b>Total Nonmajor Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,650	\$ 74,357	\$ 119,507	\$ 3,508,254	\$ 2,637,834	\$ 870,420
Investments	-	-	-	74,417	68,199	6,218
Property taxes receivable	-	-	-	65,507	53,699	11,808
Accounts receivable	50,714	-	4,526	382,881	213,642	169,239
Due from other funds	-	-	-	58,232	-	58,232
Due from other governments	-	-	-	138,225	75,168	63,057
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u><b>\$ 53,364</b></u>	<u><b>\$ 74,357</b></u>	<u><b>\$ 124,033</b></u>	<u><b>\$ 4,227,516</b></u>	<u><b>\$ 3,048,542</b></u>	<u><b>\$ 1,178,974</b></u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 2,651	\$ -	\$ -	\$ 43,638	10,050	\$ 33,588
Deferred revenue - property taxes	-	-	-	54,508	44,714	9,794
Due to other funds	50,713	-	-	165,414	24,241	141,173
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>53,364</u>	<u>-</u>	<u>-</u>	<u>263,560</u>	<u>79,005</u>	<u>184,555</u>
Fund balances						
Restricted	-	74,357	124,033	3,963,956	2,969,537	994,419
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>-</u>	<u>74,357</u>	<u>124,033</u>	<u>3,963,956</u>	<u>2,969,537</u>	<u>994,419</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u><b>\$ 53,364</b></u>	<u><b>\$ 74,357</b></u>	<u><b>\$ 124,033</b></u>	<u><b>\$ 4,227,516</b></u>	<u><b>\$ 3,048,542</b></u>	<u><b>\$ 1,178,974</b></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, 2011**

	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
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ 60,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,360
Federal funds	-	-	-	-	-	-	-	-	-	59,090
State funds	-	-	868,748	-	-	-	11,894	129,649	-	-
Local funds	55,392	38,080	-	-	41,283	-	12,134	-	-	984
Charges for services	-	-	-	-	-	-	-	-	908,235	-
Interest	-	-	9,532	235	65	-	171	1,529	1,259	338
<b>Total revenues</b>	<b>55,392</b>	<b>38,080</b>	<b>878,280</b>	<b>60,237</b>	<b>41,348</b>	<b>-</b>	<b>24,199</b>	<b>131,178</b>	<b>909,494</b>	<b>519,772</b>
<b>EXPENDITURES</b>										
Public works	-	-	1,313,897	-	53,595	-	-	-	348,582	441,235
Public safety	55,390	38,080	-	-	-	-	-	127,230	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	62,099	-	-	31,319	-	-	-
<b>Total expenditures</b>	<b>55,390</b>	<b>38,080</b>	<b>1,313,897</b>	<b>62,099</b>	<b>53,595</b>	<b>-</b>	<b>31,319</b>	<b>127,230</b>	<b>348,582</b>	<b>441,235</b>
Excess (deficiency) of revenues over expenditures	2	-	(435,617)	(1,862)	(12,247)	-	(7,120)	3,948	560,912	78,537
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	-	-	16,165	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(603,481)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(603,481)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2</b>	<b>-</b>	<b>(435,617)</b>	<b>(1,862)</b>	<b>3,918</b>	<b>-</b>	<b>(7,120)</b>	<b>3,948</b>	<b>(42,569)</b>	<b>78,537</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>2,299,964</b>	<b>35,624</b>	<b>71,597</b>	<b>647</b>	<b>40,770</b>	<b>323,268</b>	<b>384,589</b>	<b>38,037</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 1,864,347</b>	<b>\$ 33,762</b>	<b>\$ 75,515</b>	<b>\$ 647</b>	<b>\$ 33,650</b>	<b>\$ 327,216</b>	<b>\$ 342,020</b>	<b>\$ 116,574</b>

(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, 2011**

	Assistant Solicitor	Solicitor	Burglar	Forestry	EMS	Recreation	Tri-County Juvenile Justice Grant	Event Security
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 790,981	\$ 109,462	\$ -	\$ -
Federal funds	-	-	-	29,545	-	-	-	-
State funds	-	-	-	-	-	45	-	-
Local funds	258,992	200,991	-	-	-	-	-	-
Charges for services	-	-	-	-	565,033	70,774	-	36,790
Interest	-	-	-	-	2,518	713	-	-
Total revenues	<u>258,992</u>	<u>200,991</u>	<u>-</u>	<u>29,545</u>	<u>1,358,532</u>	<u>180,994</u>	<u>-</u>	<u>36,790</u>
<b>EXPENDITURES</b>								
Public works	-	-	-	-	-	-	-	-
Public safety	256,613	342,351	-	-	-	-	-	36,790
Health and social services	-	-	-	-	1,276,309	212,460	-	-
Nondepartmental	-	-	-	-	-	-	-	-
Total expenditures	<u>256,613</u>	<u>342,351</u>	<u>-</u>	<u>-</u>	<u>1,276,309</u>	<u>212,460</u>	<u>-</u>	<u>36,790</u>
Excess (deficiency) of revenues over expenditures	<u>2,379</u>	<u>(141,360)</u>	<u>-</u>	<u>29,545</u>	<u>82,223</u>	<u>(31,466)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	164,448	-	-	-	-	-	-
Transfers out	<u>(2,379)</u>	<u>(15,000)</u>	<u>-</u>	<u>(32,783)</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,379)</u>	<u>149,448</u>	<u>-</u>	<u>(32,783)</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	8,088	-	(3,238)	67,223	(31,466)	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>25,633</u>	<u>5,795</u>	<u>32,783</u>	<u>710,751</u>	<u>151,503</u>	<u>336</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<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>

(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, 2011**

	<u>Pre Trial Intervention</u>	<u>Community Action Program</u>	<u>JAG CDV Grant</u>	<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>
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,419,805	\$ 790,981	\$ 628,824
Federal funds	-	-	68,459	-	-	-	157,094	-	157,094
State funds	-	-	-	101,140	23,759	87,316	1,222,551	998,397	224,154
Local funds	-	-	-	-	-	-	607,856	-	607,856
Charges for services	103,259	-	-	-	-	-	1,684,091	565,033	1,119,058
Interest	-	-	-	-	6	-	16,366	13,579	2,787
Total revenues	<u>103,259</u>	<u>-</u>	<u>68,459</u>	<u>101,140</u>	<u>23,765</u>	<u>87,316</u>	<u>5,107,763</u>	<u>2,367,990</u>	<u>2,739,773</u>
<b>EXPENDITURES</b>									
Public works	-	-	-	-	-	-	2,157,309	1,313,897	843,412
Public safety	102,074	2,253	67,113	100,208	17,030	-	1,145,132	127,230	1,017,902
Health and social services	-	-	-	-	-	41,280	1,530,049	1,276,309	253,740
Nondepartmental	-	-	-	-	-	-	93,418	-	93,418
Total expenditures	<u>102,074</u>	<u>2,253</u>	<u>67,113</u>	<u>100,208</u>	<u>17,030</u>	<u>41,280</u>	<u>4,925,908</u>	<u>2,717,436</u>	<u>2,208,472</u>
Excess (deficiency) of revenues over expenditures	<u>1,185</u>	<u>(2,253)</u>	<u>1,346</u>	<u>932</u>	<u>6,735</u>	<u>46,036</u>	<u>181,855</u>	<u>(349,446)</u>	<u>531,301</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	67,622	77,997	326,232	-	326,232
Transfers out	<u>(1,185)</u>	<u>-</u>	<u>-</u>	<u>(932)</u>	<u>-</u>	<u>-</u>	<u>(670,760)</u>	<u>(15,000)</u>	<u>(655,760)</u>
Total other financing sources (uses)	<u>(1,185)</u>	<u>-</u>	<u>-</u>	<u>(932)</u>	<u>67,622</u>	<u>77,997</u>	<u>(344,528)</u>	<u>(15,000)</u>	<u>(329,528)</u>
Net change in fund balances	-	(2,253)	1,346	-	74,357	124,033	(162,673)	(364,446)	201,773
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>4,657</u>	<u>675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,126,629</u>	<u>3,333,983</u>	<u>792,646</u>
<b>FUND BALANCES, END OF YEAR</b>	<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>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2011**

	<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>Total Nonmajor Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,163	\$ 107,592	\$ 267	\$ -	\$ 124,022
Accounts receivable	-	-	-	243,228	243,228
Total assets	<u><b>\$ 16,163</b></u>	<u><b>\$ 107,592</b></u>	<u><b>\$ 267</b></u>	<u><b>\$ 243,228</b></u>	<u><b>\$ 367,250</b></u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 1,365	\$ -	\$ -	\$ 1,365
Due from	-	-	-	243,228	243,228
Total liabilities	<u>-</u>	<u>1,365</u>	<u>-</u>	<u>243,228</u>	<u>244,593</u>
Fund balances					
Restricted	16,163	106,227	-	-	122,390
Committed	-	-	267	-	267
Total fund balances	<u>16,163</u>	<u>106,227</u>	<u>267</u>	<u>-</u>	<u>122,657</u>
Total liabilities and fund balances	<u><b>\$ 16,163</b></u>	<u><b>\$ 107,592</b></u>	<u><b>\$ 267</b></u>	<u><b>\$ 243,228</b></u>	<u><b>\$ 367,250</b></u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**For the year ended June 30, 2011**

	<u>\$750,000</u> Equipment Lease Purchase	<u>\$765,000</u> General Obligation Bond	Administration Building Renovation Project	Neighborhood Center Project	Total Nonmajor Funds
<b>REVENUES</b>					
Other	\$ -	\$ -	\$ -	243,005	\$ 243,005
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,005</u>	<u>243,005</u>
<b>EXPENDITURES</b>					
Capital outlay	-	65,601	-	379,133	444,734
Total expenditures	<u>-</u>	<u>65,601</u>	<u>-</u>	<u>379,133</u>	<u>444,734</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(65,601)</u>	<u>-</u>	<u>(136,128)</u>	<u>(201,729)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(8,100)	-	-	-	(8,100)
Total other financing sources (uses)	<u>(8,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,100)</u>
Net change in fund balance	(8,100)	(65,601)	-	(136,128)	(209,829)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>24,263</u>	<u>171,828</u>	<u>267</u>	<u>136,128</u>	<u>332,486</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 16,163</u></u>	<u><u>\$ 106,227</u></u>	<u><u>\$ 267</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 122,657</u></u>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2011**

	Rural fire	Tax collector property sold fund	Judge of probate	Hospital operating fund	School operating fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 104,480	\$ 185,799	\$ 2,046	\$ 188,864	\$ 703,219
Investments	-	-	-	-	18,181
Property taxes receivable	37,810	-	-	33,213	774,969
Due from other governments	41,250	-	-	645	12,398
	<u>41,250</u>	<u>-</u>	<u>-</u>	<u>645</u>	<u>12,398</u>
Total assets	<u><b>\$ 183,540</b></u>	<u><b>\$ 185,799</b></u>	<u><b>\$ 2,046</b></u>	<u><b>\$ 222,722</b></u>	<u><b>\$ 1,508,767</b></u>
<b>LIABILITIES</b>					
Due to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other taxing districts and agencies	183,540	185,799	2,046	222,722	1,508,767
	<u>183,540</u>	<u>185,799</u>	<u>2,046</u>	<u>222,722</u>	<u>1,508,767</u>
Total liabilities	<u><b>\$ 183,540</b></u>	<u><b>\$ 185,799</b></u>	<u><b>\$ 2,046</b></u>	<u><b>\$ 222,722</b></u>	<u><b>\$ 1,508,767</b></u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2011**

	<u>School bond fund</u>	<u>Municipal tax collection fund</u>	<u>Forfeitures - Justice</u>	<u>Mill Creek subdivision</u>	<u>Clerk of court fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 508,260	\$ 4,608	\$ 590	\$ 9,075	\$ 194,272
Investments	13,141	-	-	-	-
Property taxes receivable	125,183	8,345	-	-	-
Due from other governments	<u>1,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><b>\$ 648,229</b></u>	<u><b>\$ 12,953</b></u>	<u><b>\$ 590</b></u>	<u><b>\$ 9,075</b></u>	<u><b>\$ 194,272</b></u>
<b>LIABILITIES</b>					
Due to other governments	\$ -	\$ -	-	\$ -	\$ 12,502
Due to other taxing districts and agencies	<u>648,229</u>	<u>12,953</u>	<u>590</u>	<u>9,075</u>	<u>181,770</u>
Total liabilities	<u><b>\$ 648,229</b></u>	<u><b>\$ 12,953</b></u>	<u><b>\$ 590</b></u>	<u><b>\$ 9,075</b></u>	<u><b>\$ 194,272</b></u>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2011**

	<b>Local option sales tax - Property tax fund</b>	<b>Sheriff &amp; Detention Center fund</b>	<b>Vehicle registration fee fund</b>	<b>Total all funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 770,912	\$ 8,011	\$ 10,229	\$ 2,690,365
Investments	19,931	-	-	51,253
Property taxes receivable	-	-	-	979,520
Due from other governments	467,430	-	-	523,368
	<u>467,430</u>	<u>-</u>	<u>-</u>	<u>523,368</u>
Total assets	<b><u>\$ 1,258,273</u></b>	<b><u>\$ 8,011</u></b>	<b><u>\$ 10,229</u></b>	<b><u>\$ 4,244,506</u></b>
<b>LIABILITIES</b>				
Due to other governments	\$ -	\$ -	\$ -	\$ 12,502
Due to other taxing districts and agencies	1,258,273	8,011	10,229	4,232,004
	<u>1,258,273</u>	<u>8,011</u>	<u>10,229</u>	<u>4,232,004</u>
Total liabilities	<b><u>\$ 1,258,273</u></b>	<b><u>\$ 8,011</u></b>	<b><u>\$ 10,229</u></b>	<b><u>\$ 4,244,506</u></b>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**For the year ended June 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>RURAL FIRE</b>				
Assets				
Cash and cash equivalents	\$ 78,831	\$ 664,383	\$ 638,734	\$ 104,480
Property taxes receivable	35,871	621,854	619,915	37,810
Due from other governments	<u>36,839</u>	<u>43,080</u>	<u>38,669</u>	<u>41,250</u>
	<u><b>\$ 151,541</b></u>	<u><b>\$ 1,329,317</b></u>	<u><b>\$ 1,297,318</b></u>	<u><b>\$ 183,540</b></u>
Liabilities				
Due to others	<u><b>\$ 151,541</b></u>	<u><b>\$ 670,733</b></u>	<u><b>\$ 638,734</b></u>	<u><b>\$ 183,540</b></u>
<b>TAX COLLECTOR PROPERTY SOLD</b>				
Assets				
Cash and cash equivalents	\$ 227,474	\$ 1,017,141	\$ 1,058,816	\$ 185,799
Due from other governments	<u>5,503</u>	<u>-</u>	<u>5,503</u>	<u>-</u>
	<u><b>\$ 232,977</b></u>	<u><b>\$ 1,017,141</b></u>	<u><b>\$ 1,064,319</b></u>	<u><b>\$ 185,799</b></u>
Liabilities				
Due to others	<u><b>\$ 232,977</b></u>	<u><b>\$ 1,017,141</b></u>	<u><b>\$ 1,064,319</b></u>	<u><b>\$ 185,799</b></u>
<b>JUDGE OF PROBATE FUND</b>				
Assets				
Cash and cash equivalents	<u><b>\$ 2,044</b></u>	<u><b>\$ 145,114</b></u>	<u><b>\$ 145,112</b></u>	<u><b>\$ 2,046</b></u>
Liabilities				
Due to others	<u><b>\$ 2,044</b></u>	<u><b>\$ 145,114</b></u>	<u><b>\$ 145,112</b></u>	<u><b>\$ 2,046</b></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, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>HOSPITAL OPERATING FUND</b>				
Assets				
Cash and cash equivalents	\$ 188,976	\$ 491,791	\$ 491,903	\$ 188,864
Property taxes receivable	32,215	489,891	488,893	33,213
Due from other governments	645	-	-	645
	<b>\$ 221,836</b>	<b>\$ 981,682</b>	<b>\$ 980,796</b>	<b>\$ 222,722</b>
Liabilities				
Due to others	<b>\$ 221,836</b>	<b>\$ 492,789</b>	<b>\$ 491,903</b>	<b>\$ 222,722</b>
 <b>SCHOOL OPERATING FUND</b>				
Assets				
Cash and cash equivalents	\$ 380,689	\$ 14,007,103	\$ 13,684,573	\$ 703,219
Investments	30,874	18,181	30,874	18,181
Property taxes receivable	742,488	9,343,306	9,310,825	774,969
Due from other governments	280,073	17,675	285,350	12,398
	<b>\$ 1,434,124</b>	<b>\$ 23,386,265</b>	<b>\$ 23,311,622</b>	<b>\$ 1,508,767</b>
Liabilities				
Due to others	<b>\$ 1,434,124</b>	<b>\$ 13,759,217</b>	<b>\$ 13,684,574</b>	<b>\$ 1,508,767</b>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**For the year ended June 30, 2011**

	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2011</b>
<b>SCHOOL BOND FUND</b>				
Assets				
Cash and cash equivalents	\$ 486,233	\$ 1,878,930	\$ 1,856,903	\$ 508,260
Investments	39,433	13,141	39,433	13,141
Property taxes receivable	121,171	1,843,560	1,839,548	125,183
Due from other governments	1,645	-	-	1,645
	<b>\$ 648,482</b>	<b>\$ 3,735,631</b>	<b>\$ 3,735,884</b>	<b>\$ 648,229</b>
Liabilities				
Due to others	<b>\$ 648,482</b>	<b>\$ 1,856,650</b>	<b>\$ 1,856,903</b>	<b>\$ 648,229</b>
 <b>MUNICIPAL TAX COLLECTION FUND</b>				
Assets				
Cash and cash equivalents	\$ 3,662	\$ 264,310	\$ 263,364	\$ 4,608
Property taxes receivable	10,184	260,632	262,471	8,345
	<b>\$ 13,846</b>	<b>\$ 524,942</b>	<b>\$ 525,835</b>	<b>\$ 12,953</b>
Liabilities				
Due to others	<b>\$ 13,846</b>	<b>\$ 262,471</b>	<b>\$ 263,364</b>	<b>\$ 12,953</b>

(Continued)

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**For the year ended June 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b>FORFEITURES - JUSTICE FUND</b>				
Assets				
Cash and cash equivalents	\$ 2,404	\$ 2,086	\$ 3,900	\$ 590
Liabilities				
Due to others	\$ 2,404	\$ 2,086	\$ 3,900	\$ 590
<b>MILL CREEK SUBDIVISION FUND</b>				
Assets				
Cash and cash equivalents	\$ 10,175	\$ 19,025	\$ 20,125	\$ 9,075
Liabilities				
Due to others	\$ 10,175	\$ 19,025	\$ 20,125	\$ 9,075
<b>CLERK OF COURT FUND</b>				
Assets				
Cash and cash equivalents	\$ 144,564	\$ 194,272	\$ 144,564	\$ 194,272
	<u>\$ 144,564</u>	<u>\$ 194,272</u>	<u>\$ 144,564</u>	<u>\$ 194,272</u>
Liabilities				
Due to other governments	\$ 15,146	\$ 12,502	\$ 15,146	\$ 12,502
Due to others	129,418	181,770	129,418	181,770
	<u>\$ 144,564</u>	<u>\$ 194,272</u>	<u>\$ 144,564</u>	<u>\$ 194,272</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, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>LOCAL OPTION SALES TAX FUND</b>				
Assets				
Cash and cash equivalents	\$ 490,650	\$ 941,674	\$ 661,412	\$ 770,912
Investments	39,792	19,931	39,792	19,931
Due from other governments	447,634	957,734	937,938	467,430
	<u>\$ 978,076</u>	<u>\$ 1,919,339</u>	<u>\$ 1,639,142</u>	<u>\$ 1,258,273</u>
Liabilities				
Due to others	<u>\$ 978,076</u>	<u>\$ 941,609</u>	<u>\$ 661,412</u>	<u>\$ 1,258,273</u>
<b>SHERIFF &amp; DETENTION CENTER</b>				
Assets				
Cash and cash equivalents	<u>\$ 5,111</u>	<u>\$ 2,900</u>	<u>\$ -</u>	<u>\$ 8,011</u>
Liabilities				
Due to others	<u>\$ 5,111</u>	<u>\$ 2,900</u>	<u>\$ -</u>	<u>\$ 8,011</u>
<b>VEHICLE REGISTRATION FEE FUND</b>				
Assets				
Cash and cash equivalents	<u>\$ 8,380</u>	<u>\$ 273,301</u>	<u>\$ 271,452</u>	<u>\$ 10,229</u>
Liabilities				
Due to others	<u>\$ 8,380</u>	<u>\$ 273,301</u>	<u>\$ 271,452</u>	<u>\$ 10,229</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, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>BIDDLE HALL MUSEUM ANNEX</b>				
Assets				
Cash and cash equivalents	\$ 176	\$ -	\$ 176	\$ -
Liabilities				
Due to others	\$ 176	\$ -	\$ 176	\$ -
 <b>TOTAL ALL AGENCY FUNDS</b>				
Assets				
Cash and cash equivalents	\$ 2,029,369	\$ 19,902,030	\$ 19,241,034	\$ 2,690,365
Investments	110,099	51,253	110,099	51,253
Property taxes receivable	941,929	12,559,243	12,521,652	979,520
Due from other governments	772,339	1,018,489	1,267,460	523,368
	<b>\$ 3,853,736</b>	<b>\$ 33,531,015</b>	<b>\$ 33,140,245</b>	<b>\$ 4,244,506</b>
 <b>TOTAL ALL AGENCY FUNDS</b>				
Liabilities				
Due to other governments	\$ 15,146	\$ 12,502	\$ 15,146	\$ 12,502
Due to others	3,838,590	19,624,806	19,231,392	4,232,004
	<b>\$ 3,853,736</b>	<b>\$ 19,637,308</b>	<b>\$ 19,246,538</b>	<b>\$ 4,244,506</b>

**COUNTY OF EDGEFIELD, SOUTH CAROLINA**  
**FINES AND ASSESSMENTS**  
**For the year ended June 30, 2011**

**Court Fines**

Court fines collected	\$ 218,237
Court fines retained by County	<u>(216,518)</u>
 Court fines remitted to State Treasurer	 <u><u>\$ 1,719</u></u>

**Court Assessments**

Court assessments collected	\$ 189,433
Court assessments retained by County	<u>(21,432)</u>
 Court assessments remitted to State Treasurer	 <u><u>\$ 168,001</u></u>

**Court Surcharges**

Court surcharges collected	\$ 110,785
Court surcharges retained by County	<u>(20,050)</u>
 Court surcharges remitted to State Treasurer	 <u><u>\$ 90,735</u></u>

**Victims Services**

Court assessments allocated to Victim Services	\$ 21,432
Court surcharges allocated to Victim Services	20,050
Interest and other amounts allocated to Victim Services	<u>16,031</u>
 Funds allocated to Victim Services	 <b>57,513</b>
Victim Services expenditures	<u>(53,595)</u>
 Funds available for carryforward	 \$ 3,918
 Fund Balance as of June 30, 2010	 <u>71,597</u>
 Fund Balance as of June 30, 2011	 <u><u>\$ 75,515</u></u>

*Table 1*

**COUNTY OF EDGEFIELD, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2011**

<b>ASSESSED PROPERTY VALUATION</b>		<b><u>\$ 73,081,921</u></b>
<b>DEBT LIMIT - Eight percent of assessed value</b>		<b>\$ 5,846,554</b>
<b>DEBT APPLICABLE TO DEBT LIMIT</b>		
Total bonded debt (excluding school bonds)	\$ 597,275	
Less debt service fund balance (excluding school bonds)	<u>314,759</u>	
Total debt applicable to debt limit		<u>282,516</u>
<b>LEGAL DEBT MARGIN</b>		<b><u>\$ 5,564,038</u></b>



**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, 2011, which collectively comprise the County of Edgefield, South Carolina's basic financial statements and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 above.

## 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 28, 2011

*Elliott Davis, LLC*

**EDGEFIELD COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS**  
**For the year ended June 30, 2011**

**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  no

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, 2010***

There were no prior year findings.