

**EDGEFIELD COUNTY,
SOUTH CAROLINA**

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

EDGEFIELD COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS

JUNE 30, 2014

County Council

Dean Campbell – Chairman
Genia Blackwell – Vice Chairman
Norman Dorn
Rodney Ashcraft, Jr.
Betty Butler

Legislative Delegation

Senator Shane Massey
Representative William Clyburn
Representative William M. Hixon

County Administrator

Lynn Strom

EDGEFIELD COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**County Council
of Edgefield County
Edgefield, South Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Edgefield County, South Carolina** (the "**County**"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Edgefield County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Edgefield County Hospital, which represent 64% of the assets, 39% of the net position and 86% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Edgefield County Hospital, is based solely on the report of the other auditors. 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. The financial statements of the Edgefield County Hospital were not audited in accordance with *Government Auditing Standards*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgefield County, South Carolina as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 10), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund (on page 49), the Schedule of Expenditures – Budget (GAAP Basis) and Actual – General Fund (on pages 50 through 54), and the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – EMS Fund (on page 55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edgefield County, South Carolina's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the statement of cash flows for the Tri-County Solid Waste Authority component unit, and schedule of legal debt margin 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 summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the statement of cash flows for the Tri-County Solid Waste Authority component unit, schedule of legal debt margin, and the summary schedule of court fines, assessments and surcharges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the statement of cash flows for the Tri-County Solid Waste Authority component unit, schedule of legal debt margin, and the summary schedule of court fines, assessments and surcharges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014, on our consideration of Edgefield County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Edgefield County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 26, 2014

EDGEFIELD COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

This section of Edgefield County, South Carolina's ("the County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014.

Financial Highlights

- The assets of Edgefield County exceeded its liabilities at June 30, 2014, by approximately \$23.4 million (net position). Of this amount, \$5.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County repaid \$571,000 of bond and capital lease obligations during the year.
- At June 30, 2014, the County's General Fund reported a total fund balance of \$5.6 million.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$4.7 million or 54% of general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Edgefield County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Edgefield County's finances, in a manner similar to a private-sector business. All governmental activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The governmental activities of the County include general government, staff and finance agencies, public safety, public works, health and social services, building maintenance, and nondepartmental.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include not only Edgefield County itself (known as the primary government), but also the County's component units; the Edgefield County Hospital and the Tri-County Solid Waste Authority. These are legally separate entities from the County, but due to the significance of their operational or financial relationships with the County they are included in the County's financial statements. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Edgefield County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Edgefield County maintains governmental funds to account for the following activities: General, Special Revenue Capital Projects, and Debt Service.

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, C Fund, EMS and Debt Service funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Edgefield County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General Fund and the EMS Fund within the required supplementary information section of these financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary funds. Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

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

Required Supplementary Information and Other Information. The required supplementary information (RSI) includes the General Fund Budgetary schedule and the EMS Fund Budgetary schedule and are presented immediately following the notes to the financial statements. The other information includes the combining statements referred to earlier in connection with non-major governmental funds, the schedule of fines and assessments, and the legal debt margin schedule are presented immediately following the RSI.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$23,418,026 at the close of the most recent fiscal year.

A large portion of the County's net position, 50%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County's Net Position

	Governmental Activities	
	2014	2013
Current and other assets	\$ 12,979,498	\$ 12,045,214
Capital assets	15,046,985	14,693,646
Total assets	28,026,483	26,738,860
Long-term liabilities debt	3,777,981	3,142,138
Other liabilities	830,476	421,051
Total liabilities	4,608,457	3,563,189
Net position:		
Net investment in capital assets	11,745,297	12,250,943
Restricted	7,682,370	4,088,968
Unrestricted	3,990,359	6,835,760
Total net position	\$ 23,418,026	\$ 23,175,671

Unrestricted net position of \$3.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current fiscal year, Edgefield County is able to report positive balances in all categories of net position for the government as a whole.

Edgefield County's Changes in Net Position

	Governmental Activities	
	2014	2013
Revenues		
Program revenues:		
Charges for services	\$ 2,120,663	\$ 2,732,882
Operating grants and contributions	3,553,500	3,014,487
General revenues:		
Property taxes	6,537,861	7,018,777
Other taxes and licenses	1,047,866	2,654
Grants and contributions not restricted to specific programs	996,813	992,656
Unrestricted investment earnings	104,161	21,832
Miscellaneous	350,627	299,899
Total revenues	14,711,491	14,083,187
Program expenses		
General government	847,587	495,271
Staff agencies	1,549,257	1,552,203
Finance agencies	621,521	649,468
Public safety	5,450,831	5,277,673
Public works	1,901,773	2,027,331
Health and social services	2,046,808	2,049,757
Building maintenance	297,716	315,699
Nondepartmental	1,634,629	1,568,628
Interest and fiscal charges	119,014	32,130
Total expenses	14,469,136	13,968,160
Excess (deficiency) before transfers	242,355	115,027
Transfers	-	(476,817)
Increase (decrease) in net position	\$ 242,355	\$ (361,790)

The changes in net position between fiscal years 2013 and 2014 were affected by the following:

- Governmental revenue increased approximately \$634,000 or 4.5% due primarily to (1) increased federal and state grant funding and (2) timber sales.
- Governmental expenses increased approximately \$507,000 or 3.6% as a result of increased public safety and nondepartmental expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

General Fund

The General Fund is the chief operating fund of Edgefield County. At the end of the current fiscal year, the County had committed \$200,000 for capital projects and \$697,212 for the subsequent years budget. This resulted in a remaining unassigned fund balance of \$4,664,880, for a total fund balance was \$5,562,092.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Committed fund balance represents 10.4%, unassigned fund balance represents 54.0%, while total fund balance represents 64.4% of that same amount.

C Funds

For the year ended June 30, 2014, C Fund expenditures were approximately \$891,000 and revenues were approximately \$886,000, resulting in a slight decrease in fund balance of \$4,502 as of year-end.

EMS

For the year ended June 30, 2014, EMS expenditures were approximately \$1.6 million and revenues were approximately \$1.4 million, resulting in a decrease in fund balance of \$221,945 as of year-end.

Debt Service

At the end of the current fiscal year, Debt Service Fund expenditures were approximately \$668,000 and revenues were approximately \$476,000. In addition, there were other financing sources in the form of proceeds from the issuance of GO Bonds in the amount of \$1.2 million, resulting in an increase in fund balance of \$1,001,975 as of year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. Edgefield County's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$15,046,985 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and improvements, furniture, fixtures, and equipment, and infrastructure.

Edgefield County's Capital Assets (net of depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 1,093,643	\$ 601,643
Construction in Progress	77,122	-
Buildings and improvements	4,041,586	4,632,032
Infrastructure	8,743,019	8,365,928
Furniture, fixtures and equipment	1,091,615	1,184,043
Total	\$ 15,046,985	\$ 14,783,646

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-term Debt. Edgefield County's long-term debt for the year ended June 30, 2014, is summarized below.

	Governmental Activities	
	2014	2013
County GO bonds	\$ 3,301,688	\$ 2,649,939
Capital lease obligations	-	22,707
Due to other governments	121,260	-
Annual leave	355,033	348,232
Total outstanding debt	\$ 3,777,981	\$ 3,020,878

At year-end, the County had \$3.3 million in bonds and annual leave obligations outstanding. This was a decrease of 24.6% from the prior year. The state limits the amount of general obligation debt the County can issue to 8% of the assessed value of all taxable property within the County's legal limits. The County's outstanding debt is significantly below this limit as reflected in the Legal Debt Margin Schedule located in the Other Information section of this report.

Additional information regarding the County's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets

- Unemployment now stands at 7.1%, compared to 7.8% a year ago. This compares unfavorably with the State of South Carolina's unemployment rate of 6.6% and unfavorably with the national rate of 5.9%.
- Inflationary trends in the region compare favorably to national indices.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets (Continued)

These indicators were taken into account when adopting the General Fund budget for 2015. Amounts available for appropriation in the General Fund budget are estimated at approximately \$9 million, an increase of 3.6% over the 2014 actual expenditures. If these estimates are realized, the County's budgetary general fund balance is expected to end relatively unchanged at the close of fiscal year 2015.

Requests for Information

This financial report is designed to provide a general overview of Edgefield County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Edgefield County, 124 Courthouse Square, Edgefield, South Carolina 29824, or visit the County website at www.edgfield.sc.gov.

EDGEFIELD COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2014

	Primary Government	Component Units	
	Governmental Activities	Tri-County Solid Waste Authority	Edgefield County Hospital
ASSETS			
Cash and cash equivalents	\$ 7,400,581	\$ 1,306,886	\$ 1,000,871
Investments	1,867,040	348,282	-
Receivables:			
Taxes	409,963	-	-
Accounts	332,386	97,326	2,034,651
Other	3,500	-	-
Due from other governments	2,966,028	258,000	10,694
Inventory	-	-	372,180
Restricted cash and investments	-	-	355,037
Capital assets:			
Nondepreciable	1,170,765	26,445	432,346
Depreciable, net	13,876,220	1,763,978	2,036,919
Total assets	<u>28,026,483</u>	<u>3,800,917</u>	<u>6,242,698</u>
LIABILITIES			
Accounts payable	460,191	-	1,661,186
Accrued liabilities	131,091	6,753	380,351
Unearned revenues	239,194	-	-
Due to other governments	-	-	1,854,491
Noncurrent liabilities:			
Due within one year	541,164	8,831	65,656
Due in more than one year	3,236,817	9,586	72,682
Landfill postclosure care costs due within one year	-	10,000	-
Landfill postclosure care costs due in more than one year	-	248,000	-
Total liabilities	<u>4,608,457</u>	<u>283,170</u>	<u>4,034,366</u>
NET POSITION			
Net investment in capital assets	11,745,297	1,790,423	476,436
Restricted for debt service	3,153,248	-	355,037
Restricted for capital projects	131,569	-	-
Restricted for other purposes	4,397,553	-	-
Unrestricted	3,990,359	1,727,324	1,376,859
Total net position	<u>\$ 23,418,026</u>	<u>\$ 3,517,747</u>	<u>\$ 2,208,332</u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Tri-County Solid Waste Authority	Edgefield County Hospital
Primary government:							
Governmental activities:							
General government	\$ 847,587	\$ -	\$ -	\$ -	\$ (847,587)	\$ -	\$ -
Staff agencies	1,549,257	4,286	1,923,797	-	378,826	-	-
Finance agencies	621,521	-	-	-	(621,521)	-	-
Public safety	5,450,831	636,892	1,435,997	-	(3,377,942)	-	-
Public works	1,901,773	956,546	191,601	-	(753,626)	-	-
Health and social services	2,046,808	522,939	2,105	-	(1,521,764)	-	-
Building maintenance	297,716	-	-	-	(297,716)	-	-
Nondepartmental	1,634,629	-	-	-	(1,634,629)	-	-
Interest on long-term debt	119,014	-	-	-	(119,014)	-	-
Total governmental activities	<u>14,469,136</u>	<u>2,120,663</u>	<u>3,553,500</u>	<u>-</u>	<u>(8,794,973)</u>	<u>-</u>	<u>-</u>
Component units:							
Tri-County Solid Waste Authority	2,022,506	1,911,457	-	-	-	(111,049)	-
Edgefield County Hospital	12,548,739	11,222,904	256,695	-	-	-	(1,069,140)
Total governmental activities	<u>\$ 14,571,245</u>	<u>\$ 13,134,361</u>	<u>\$ 256,695</u>	<u>\$ -</u>	<u>-</u>	<u>(111,049)</u>	<u>(1,069,140)</u>
General revenues:							
Property taxes levied for:							
General purposes					4,765,255	-	503,244
Debt service					1,127,881	-	-
Special revenue projects					644,725	-	-
Other taxes					1,047,866	-	-
Grants and contributions not restricted for a specific purpose					996,813	-	-
Unrestricted investment earnings					104,161	3,850	-
Gain on sale of capital assets					-	9,277	-
Miscellaneous					350,627	14,192	202,514
Total general revenues					<u>9,037,328</u>	<u>27,319</u>	<u>705,758</u>
Change in net position					242,355	(83,730)	(363,382)
Net position, beginning of year, as restated					23,175,671	3,601,477	2,571,714
Net position, end of year					<u>\$ 23,418,026</u>	<u>\$ 3,517,747</u>	<u>\$ 2,208,332</u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General</u>	<u>C Fund</u>	<u>EMS</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 3,776,197	\$ 1,375,858	\$ 143,005	\$ 1,105,044	\$ 1,000,477	\$ 7,400,581
Investments	1,032,394	341,249	72,072	273,253	148,072	1,867,040
Receivables, net:						
Taxes	261,156	-	36,295	15,573	96,939	409,963
Accounts	-	-	257,627	-	74,759	332,386
Other	3,500	-	-	-	-	3,500
Due from other governments	1,117,427	80,001	-	1,768,600	-	2,966,028
Due from other funds	59,899	-	-	-	-	59,899
Total assets	<u>\$ 6,250,573</u>	<u>\$ 1,797,108</u>	<u>\$ 508,999</u>	<u>\$ 3,162,470</u>	<u>\$ 1,320,247</u>	<u>\$ 13,039,397</u>
LIABILITIES						
Accounts payable	\$ 453,247	\$ -	\$ 145	\$ -	\$ 6,799	\$ 460,191
Accrued liabilities	77,828	-	16,190	-	31,091	125,109
Due to other funds	-	-	-	-	59,899	59,899
Total liabilities	<u>531,075</u>	<u>-</u>	<u>16,335</u>	<u>-</u>	<u>97,789</u>	<u>645,199</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	157,406	-	21,889	9,222	4,933	193,450
Unavailable revenue - emergency medical services	-	-	239,194	-	-	239,194
Total deferred inflows of resources	<u>157,406</u>	<u>-</u>	<u>261,083</u>	<u>9,222</u>	<u>4,933</u>	<u>432,644</u>
FUND BALANCES						
Restricted for:						
Future property tax reductions	1,243,929	-	-	-	-	1,243,929
Public works	-	1,797,108	-	-	505,581	2,302,689
Health and social services	-	-	231,581	-	165,577	397,158
Public safety	-	-	-	-	438,987	438,987
Industrial development	-	-	-	-	14,790	14,790
Capital projects	-	-	-	-	131,569	131,569
Debt service	-	-	-	3,153,248	-	3,153,248
Committed:						
Capital projects	200,000	-	-	-	267	200,267
Subsequent year's budget	697,212	-	-	-	-	697,212
Unassigned	3,420,951	-	-	-	(39,246)	3,381,705
Total fund balances	<u>5,562,092</u>	<u>1,797,108</u>	<u>231,581</u>	<u>3,153,248</u>	<u>1,217,525</u>	<u>11,961,554</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,250,573</u>	<u>\$ 1,797,108</u>	<u>\$ 508,999</u>	<u>\$ 3,162,470</u>	<u>\$ 1,320,247</u>	<u>\$ 13,039,397</u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances for governmental funds:		\$ 11,961,554
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		15,046,985
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		193,450
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.		
General obligation bonds	\$ (3,301,688)	
Compensated absences payable	(355,033)	
Due to other governments	(121,260)	
Total long-term liabilities	<u>(3,777,981)</u>	(3,777,981)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(5,982)</u>
Net position of governmental activities		<u><u>\$ 23,418,026</u></u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>C Fund</u>	<u>EMS</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 5,037,388	\$ -	\$ 835,097	\$ 340,877	\$ 652,300	\$ 6,865,662
Sales taxes	1,047,866	-	-	-	-	1,047,866
Licenses, permits and fees	566,536	-	-	-	-	566,536
Intergovernmental	1,391,304	881,768	-	-	482,642	2,755,714
Charges for services	219,247	-	492,429	-	1,121,361	1,833,037
Fines and forfeitures	425,355	-	-	-	-	425,355
Local funds	-	-	-	-	934,812	934,812
Interest revenue	16,383	4,067	694	81,320	1,697	104,161
Other revenues	303,106	600	30,510	47,521	124,412	506,149
Total revenues	<u>9,007,185</u>	<u>886,435</u>	<u>1,358,730</u>	<u>469,718</u>	<u>3,317,224</u>	<u>15,039,292</u>
EXPENDITURES						
Current:						
General government	485,640	-	-	-	-	485,640
Staff agencies	1,554,648	-	-	-	-	1,554,648
Finance agencies	621,521	-	-	-	-	621,521
Public safety	3,899,683	-	-	-	1,547,655	5,447,338
Public works	105,173	890,937	-	-	1,374,731	2,370,841
Health and social services	89,897	-	1,564,695	-	263,529	1,918,121
Building maintenance	297,716	-	-	-	-	297,716
Nondepartmental	1,493,586	-	-	-	94,713	1,588,299
Capital outlay	72,523	-	-	-	250,013	322,536
Debt service:						
Principal retirement	22,707	-	-	548,251	-	570,958
Interest and fiscal charges	362	-	-	119,492	-	119,854
Total expenditures	<u>8,643,456</u>	<u>890,937</u>	<u>1,564,695</u>	<u>667,743</u>	<u>3,530,641</u>	<u>15,297,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>363,729</u>	<u>(4,502)</u>	<u>(205,965)</u>	<u>(198,025)</u>	<u>(213,417)</u>	<u>(258,180)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	187,070	-	-	-	191,474	378,544
Transfers out	(191,474)	-	(15,980)	-	(171,090)	(378,544)
Proceeds from 2013 general obligation bonds	-	-	-	1,200,000	-	1,200,000
Total other financing sources (uses)	<u>(4,404)</u>	<u>-</u>	<u>(15,980)</u>	<u>1,200,000</u>	<u>20,384</u>	<u>1,200,000</u>
Net change in fund balances	359,325	(4,502)	(221,945)	1,001,975	(193,033)	941,820
Fund balances, beginning of year as restated	<u>5,202,767</u>	<u>1,801,610</u>	<u>453,526</u>	<u>2,151,273</u>	<u>1,410,558</u>	<u>11,019,734</u>
Fund balances, end of year	<u>\$ 5,562,092</u>	<u>\$ 1,797,108</u>	<u>\$ 231,581</u>	<u>\$ 3,153,248</u>	<u>\$ 1,217,525</u>	<u>\$ 11,961,554</u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds \$ 941,820

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 1,427,741	
Depreciation expense	<u>(1,157,405)</u>	270,336

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (6,997)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (327,801)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 570,958	
Issuance of general obligation bonds	<u>(1,200,000)</u>	(629,042)

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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Compensated absences	\$ (6,801)	
Accrued interest on long-term debt	<u>840</u>	<u>(5,961)</u>
		<u>\$ 242,355</u>

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

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,717,907
Investments	269,922
Taxes receivable	853,102
Due from other governments	348,297
Total assets	<u>\$ 3,189,228</u>
LIABILITIES	
Uncollected taxes	\$ 853,102
Due to others	2,336,126
Total liabilities	<u>\$ 3,189,228</u>

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

NOTES TO THE FINANCIAL STATEMENTS

EDGEFIELD COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Reporting Entity

Edgefield County, South Carolina - the primary government - is a political subdivision of the State of South Carolina. A five-member council elected from single-member districts governs the County. These financial statements present all the fund types of the County. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Edgefield County Hospital

The Edgefield County Hospital (the "Hospital") is a discretely presented component unit established in 1972 by the County to operate, control and manage all matters concerning the County's health care functions. The Hospital is governed by a Board of Trustees, which is appointed by the County. The Board of Trustees selects management staff, establishes budgets, and controls all aspects of the operation of the Hospital. The County can impose its will on the Hospital. The Hospital has a September 30th year end. Separate financial statements for the Hospital can be obtained by contacting the administrative office at P.O. Box 590, Edgefield, South Carolina 29824.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Tri-County Solid Waste Authority

The Tri-County Solid Waste Authority (the "Authority") is a discretely presented component unit established to operate and manage solid waste disposal in the counties of Edgefield, McCormick and Saluda. The Authority is governed by a six-member board, where each County appoints two members. The Board appoints the management staff, establishes budgets, and controls all aspects of the operation of the Authority. The County has a majority equity interest in the Authority. Separate financial statements are not prepared for the Authority.

The County has no blended component units.

Basis of Presentation

Government-wide financial statements

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

The statement of net position 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 and component units that are fiduciary in nature. For the most part, the effect of interfund activity has been removed from the statements.

The statement of net position presents the financial condition 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. 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 governmental function is self-financing or draws from the general revenues of the County.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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 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.

The County reports the following major governmental funds:

The **General Fund** is the County'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** is used to account for the intergovernmental funds received from the state that are restricted to improve and repair the County road system.

The **EMS Fund** is used to account for the activities of the County's emergency medical services.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal and interest.

Additionally, the County reports the following fund types:

The **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.

The **Capital Projects Funds** are used to account for and report financial resources that are restricted, committed or assigned for the acquisition of capital assets or construction of major capital facilities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund financial statements (Continued)

The **Agency Funds** are used to account 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.

Measurement Focus and Basis of Accounting

Government-wide financial statements

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. All assets and liabilities associated with the operation of the County are included on the statement of net position.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 when payment is due.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund financial statements (Continued)

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 funds.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

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. 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 unearned revenue and in the presentation of expenses versus expenditures.

Revenue - 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 field 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 60 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, entitlement 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - exchange and non-exchange transactions (Continued)

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, fee and charges for services.

Unavailable revenue

Unavailable 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 2014 operations, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unavailable revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable 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 commitments of fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity

Cash and investments

Cash includes demand deposits as well as cash equivalents and short-term investments with a maturity date within three months of the date acquired by the County.

Investments with a readily determined fair value are stated at fair value which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool. The State Treasurer's Investment Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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 for which amounts in excess of 90 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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.

Inventory

The County has no significant inventories. The cost of inventory is recorded as an expenditure at the time individual inventory items are purchased.

Capital assets

Capital assets, which include buildings and improvements, furniture, fixtures, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital assets (Continued)

All reported capital assets except land and site preparation 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:

<u>Assets</u>	<u>Years</u>
Infrastructure	35
Buildings and improvements	15 - 30
Furniture, fixtures, and equipment	3 - 10

Compensated absences

It is the County'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 the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Inflows / Outflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items, which arise only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, *unavailable revenue*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and emergency medical services and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Interfund transactions

Transactions among County's funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved.

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

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported in the respective fund's operating statements.

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources through either a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority, the County Council, through passage of an ordinance. These amounts cannot be used for any other purpose unless the County Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. Through resolution, the County Council has authorized the County Administrator to assign fund balances to a specific purpose. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The County would typically use restricted fund balances first, followed by committed resources and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Restricted resources

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed, but Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

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/expenses. Actual results could differ from these estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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. County Council must approve transfers between departments or funds and any additional appropriations. The budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriations as follows:

	<u>Excess</u>
General Fund	
Staff agencies - coroner	\$ 1,304
Staff agencies - board of registration	16,090
Staff agencies - GIS/grant writing	100
Public safety - sheriff's office	31,453
Public safety - E911 dispatch operator	7,549
Public safety - animal control	18,866
Public works - fuel site	541
Building maintenance - county administrative building	3,816
Building maintenance - agriculture building	2,720
Building maintenance - magistrate building	3,039
Building maintenance - county jail building	4,103
Building maintenance - maintenance garage	873
Building maintenance - Kneece building	2,342
Nondepartmental - ABBE Regional Library	10,136

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2014, are summarized below:

As reported in the Statement of Net Position:

Primary government		
Cash and cash equivalents	\$	7,400,581
Investments		1,867,040
Agency Fund - cash and cash equivalents		1,717,907
Agency Fund - investments		269,922
	<u>\$</u>	<u>11,255,450</u>
Cash deposited with financial institutions	\$	453,949
SC State Investment Pool		8,664,539
Certificates of deposit		2,136,962
	<u>\$</u>	<u>11,255,450</u>

Custodial credit risk

This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2014, the carrying amount of the County's deposits was \$11,255,450 and the bank balance was \$11,424,717. 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 departments in the County's name.

The Edgefield County Hospital, a discretely presented component unit, does not have a deposit policy for custodial credit risk. The total cash balances were covered by federal depository insurance coverage.

The Tri-County Solid Waste Authority, a discretely presented component unit, does not have a deposit policy for custodial credit risk. The total cash balances were covered by federal depository insurance coverage.

As of June 30, 2014, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
SC State Investment Pool	\$ 8,664,539	\$ 8,664,539	\$ -
Certificates of deposit	2,136,962	498,373	1,638,589
	<u>\$ 10,801,501</u>	<u>\$ 9,162,912</u>	<u>\$ 1,638,589</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit risk

This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The County has no investment policy that would further limit its investment choices other than state law. The County is invested in certificates of deposit with varying maturity dates and the South Carolina Local Government Investment Pool. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance. The South Carolina Local Government Investment Pool is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Interest rate risk

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. 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.

Concentration of credit risk

This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer.

Custodial credit risk

This is the risk that, in the event of a failure of the counterparty, the County may not be able to recover the value of investments, or collateral securities that are in possession of an outside party. The County has no investment policy that would further limit its investment choices other than state law.

NOTE 4. RECEIVABLES AND 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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES (CONTINUED)

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 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. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables as of June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	General	C Fund	EMS
Taxes receivable	\$ 266,486	\$ -	\$ 37,036
Accounts receivable	-	-	257,627
Other receivables	3,500	-	-
Due from other governments	1,117,427	80,001	-
Less: Allowance	(5,330)	-	(741)
Net receivables	\$ 1,382,083	\$ 80,001	\$ 293,922

	Debt Service	Nonmajor Governmental	Total
Taxes receivable	\$ 15,573	\$ 97,107	\$ 400,629
Accounts receivable	-	74,759	332,386
Other receivables	-	-	3,500
Due from other governments	1,768,600	-	1,197,428
Less: Allowance	-	(168)	(6,239)
Net receivables	\$ 1,784,173	\$ 171,698	\$ 1,927,704

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2014 was as follows:

Governmental Activities	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 601,643	\$ -	\$ -	\$ 492,000	\$ 1,093,643
Construction in progress	-	77,122	-	-	77,122
Total capital assets not being depreciated	<u>601,643</u>	<u>77,122</u>	<u>-</u>	<u>492,000</u>	<u>1,170,765</u>
Capital assets being depreciated:					
Buildings and improvements	8,714,237	38,832	-	(884,587)	7,868,482
Infrastructure	16,686,273	747,233	-	-	17,433,506
Furniture, fixtures and equipment	6,258,687	564,554	(364,388)	392,587	6,851,440
Total capital assets being depreciated	<u>31,659,197</u>	<u>1,350,619</u>	<u>(364,388)</u>	<u>(492,000)</u>	<u>32,153,428</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,082,205)	(203,190)	357,391	101,108	(3,826,896)
Infrastructure	(8,320,345)	(370,142)	-	-	(8,690,487)
Furniture, fixtures and equipment	(5,074,644)	(584,073)	-	(101,108)	(5,759,825)
Total accumulated depreciation	<u>(17,477,194)</u>	<u>(1,157,405)</u>	<u>357,391</u>	<u>-</u>	<u>(18,277,208)</u>
Total capital assets being depreciated, net	<u>14,182,003</u>	<u>193,214</u>	<u>(6,997)</u>	<u>(492,000)</u>	<u>13,876,220</u>
Governmental activities capital assets, net	<u>\$ 14,783,646</u>	<u>\$ 270,336</u>	<u>\$ (6,997)</u>	<u>\$ -</u>	<u>\$ 15,046,985</u>

The beginning balances of accumulated depreciation have been decreased by \$458,500 to properly reflect beginning of year balances. See Note 13 for additional information.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

Note5.a	
General government	\$ 121,644
Public safety	412,106
Public works	460,198
Health and social services	122,098
Nondepartmental	41,359
	<u>1,157,405</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,157,405</u>

B. Component Units

Capital asset activity for the Tri-County Solid Waste Authority for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions & Reclasses	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 27,535	\$ -	\$ (1,090)	\$ 26,445
Total capital assets not being depreciated	<u>27,535</u>	<u>-</u>	<u>(1,090)</u>	<u>26,445</u>
Capital assets being depreciated:				
Buildings and improvements	440,486	52,586	484,216	977,288
Furniture, fixtures and equipment	2,891,019	303,208	(719,545)	2,474,682
Total capital assets being depreciated	<u>3,331,505</u>	<u>355,794</u>	<u>(235,329)</u>	<u>3,451,970</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,481,716)	(37,389)	1,237,246	(281,859)
Furniture, fixtures and equipment	-	(217,731)	(1,188,402)	(1,406,133)
Total accumulated depreciation	<u>(1,481,716)</u>	<u>(255,120)</u>	<u>48,844</u>	<u>(1,687,992)</u>
Total capital assets being depreciated, net	<u>1,849,789</u>	<u>100,674</u>	<u>(186,485)</u>	<u>1,763,978</u>
Capital assets, net	<u>\$ 1,877,324</u>	<u>\$ 100,674</u>	<u>\$ (187,575)</u>	<u>\$ 1,790,423</u>

The beginning balances of accumulated depreciation have been reduced by \$49,791 to properly reflect beginning of year balances. See Note 13 for additional information.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Component Units (Continued)

Capital asset activity for the Edgefield County Hospital for the year ended September 30, 2013 was as follows:

	Balance September 30, 2012	Additions	Deletions & Reclasses	Balance September 30, 2013
Capital assets not being depreciated:				
Land	\$ 126,243	\$ -	\$ -	\$ 126,243
Construction in progress	128,165	231,369	(53,431)	306,103
Total capital assets not being depreciated	<u>254,408</u>	<u>231,369</u>	<u>(53,431)</u>	<u>432,346</u>
Capital assets being depreciated:				
Land improvements	187,002	-	-	187,002
Buildings	3,359,838	1,005	(12,062)	3,348,781
Equipment	6,930,022	39,022	53,388	7,022,432
Total capital assets being depreciated	<u>10,476,862</u>	<u>40,027</u>	<u>41,326</u>	<u>10,558,215</u>
Less accumulated depreciation for:				
Land improvements	(122,493)	(15,753)	-	(138,246)
Buildings	(1,926,060)	(100,699)	-	(2,026,759)
Equipment	(6,190,566)	(165,725)	-	(6,356,291)
Total accumulated depreciation	<u>(8,239,119)</u>	<u>(282,177)</u>	<u>-</u>	<u>(8,521,296)</u>
Total capital assets being depreciated, net	<u>2,237,743</u>	<u>(242,150)</u>	<u>41,326</u>	<u>2,036,919</u>
Capital assets, net	<u>\$ 2,492,151</u>	<u>\$ (10,781)</u>	<u>\$ (12,105)</u>	<u>\$ 2,469,265</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A. Primary Government

Governmental Activities	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
General obligation bonds	\$ 2,649,939	\$ 1,200,000	\$ (548,251)	\$ 3,301,688	\$ 377,843
Capital lease obligations	22,707	-	(22,707)	-	-
Due to other governments	121,260	-	-	121,260	4,700
Annual Leave	348,232	221,821	(215,020)	355,033	158,621
	<u>\$ 3,142,138</u>	<u>\$ 1,421,821</u>	<u>\$ (785,978)</u>	<u>\$ 3,777,981</u>	<u>\$ 541,164</u>

The beginning balances of general obligation bonds has been increased by \$1,816,015 to properly reflect beginning of year balances. See Note 13 for additional information.

The General Fund has typically been used in prior years to liquidate the liability for compensated absences.

General Obligation Bonds: Bonds payable due at June 30, 2014 are comprised of the following issues:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1996A GO Hospital Bond	4.875%	30 years	2026	\$ 600,000	\$ 343,948
1996B GO Hospital Bond	4.875%	30 years	2026	163,000	92,227
2005 GO Hospital Bond	4.25%	40 years	2045	1,500,000	1,332,222
2005A GO Bond	3.47%	10 years	2015	500,000	50,000
2011 GO Bond	2.01%	5 years	2015	750,000	382,169
2013 GO Bond	2.60%	11 years	2025	1,200,000	1,101,122
					<u>\$ 3,301,688</u>

The County issued \$1,200,000 in general obligation bonds during the year ended June 30, 2014. The purpose of these bonds are to fund (1) renovations of the Kneece building and (2) capital improvements to other County buildings.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize all general obligation bonds as of June 30, 2014, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 377,843	\$ 108,327	\$ 486,170
2016	334,072	104,705	438,777
2017	146,976	96,057	243,033
2018	151,944	91,089	243,033
2019	157,096	85,937	243,033
2020 - 2024	869,717	345,448	1,215,165
2025 - 2029	381,870	214,932	596,802
2030 - 2034	225,893	164,707	390,600
2035 - 2039	279,271	111,329	390,600
2040 - 2044	345,263	45,337	390,600
2045	31,743	312	32,055
	<u>\$ 3,301,688</u>	<u>\$ 1,368,180</u>	<u>\$ 4,669,868</u>

Debt service funds of \$3,153,248 are available to service the general obligation bonds.

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

There are a number of limitations and restrictions contained in the various debt instruments. The County is in compliance with all significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended. The County is allowed to incur general obligation (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 \$75,969,638, the legal debt limit is \$6,077,571, and the legal debt margin is \$5,929,131 as of June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

B. Component Unit

Tri-County Solid Waste Authority

Long-term liabilities for the Tri-County Solid Waste Authority at June 30, 2014 were as follows:

Tri-County Solid Waste Authority	Balance			Balance June 30, 2014	Due Within One Year
	June 30, 2013	Additions	Reductions		
Landfill postclosure care costs	\$ 268,000	\$ -	\$ (10,000)	\$ 258,000	\$ 10,000
Annual Leave	-	27,041	(8,624)	18,417	8,831
	<u>\$ 268,000</u>	<u>\$ 27,041</u>	<u>\$ (18,624)</u>	<u>\$ 276,417</u>	<u>\$ 18,831</u>

Postclosure Care Costs

Effective in 2010, the Tri-County Solid Waste Authority Construction & Demo Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the Authority must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately \$258,000 over the remaining 21-year period. These costs are based on what it would cost to perform all postclosure care in 2014, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Edgefield County Hospital

Long-term liabilities for the Edgefield County Hospital at September 30, 2013 were as follows:

Edgefield County Hospital	Balance			Balance September 30, 2013	Due Within One Year
	September 30, 2012	Additions	Reductions		
Note payable	\$ -	\$ 138,338	\$ -	\$ 138,338	\$ 65,656
	<u>\$ -</u>	<u>\$ 138,338</u>	<u>\$ -</u>	<u>\$ 138,338</u>	<u>\$ 65,656</u>

The note payable includes an amount due under an equipment financing agreement, collateralized by the related equipment with maturity in December 2013 at an interest rate of 3.25%. Subsequent to September 30, 2013, the note payable was refinanced at the same interest rate extending the maturity through January 2015.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

B. Component Unit (Continued)

Edgefield County Hospital (Continued)

Scheduled principal and interest payments on long-term debt and for years subsequent to September 30, 2013 are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 65,656	\$ 2,027	\$ 67,683
2015	72,682	1,024	73,706
	<u>\$ 138,338</u>	<u>\$ 3,051</u>	<u>\$ 141,389</u>

NOTE 7. OPERATING LEASES

The County leases land under operating leases. Lease expenditures for the year ended June 30, 2014, for governmental funds amounted to \$8,000. Future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Total Minimum Lease Payments
2015	\$ 8,000
2016	8,000
2017	8,000
2018	8,000
2019	8,000
2020-2024	40,000
2025-2029	40,000
2030-2032	24,000
	<u>\$ 144,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS

A. Primary Government

Retirement Plan

Substantially all County employees are members of the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS). These systems are cost-sharing multiple-employer plans administered by the Retirement Division of the State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The state is authorized by statute to establish and amend all plan provisions. Covered payroll was \$6,680,086, \$6,351,408, and \$6,104,672 for the years ended June 30, 2014, 2013 and 2012, respectively.

Generally, all employees are required to participate in the SCRS or PORS as a condition of employment. Under SCRS, employees are eligible for normal retirement with no reduction of benefits upon reaching age 65 with five years of vestment or completion of 28 years credited service regardless of age. The benefit formula effective July 1, 1989, for the System is 1.82 percent 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 five years service and qualify for a survivor's benefit upon completion of 15 years credited service. A group-life insurance benefit equal to an active 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 7.0 percent of their salary for the year ended June 30, 2014. The County is required to contribute 10.45 percent of employees' salary for the years ended June 30, 2014.

PORS - Participating employees contribute 7.0 percent of their annual covered payroll. The County contributes on their behalf 11.9 percent of annual payroll plus an additional 0.2 percent of payroll for accidental death contributions and another 0.2 percent of payroll for group life contributions. There are no early retirement provisions under SCPORS. A member must have 25 years of service for full retirement or must be age 55 with five years of service. Both criteria provide for full formula benefit, payable for life with an annual rate equal to 2.14 percent of average final compensation, for each year of credited service.

The Plans provide death and disability as well as retirement benefits. Both employees and employers are required to contribute to the Plans at rates established under authority of Title 9 of the SC Code of Laws. Contribution information for the year ended June 30, 2014 and the two years prior were equal to the required contribution for each year-end and are as follows:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
SCRS					
June 30, 2014	\$ 285,497	7.50%	\$ 403,502	10.45%	\$ 688,999
June 30, 2013	254,876	7.00%	380,532	10.45%	635,408
June 30, 2012	228,656	6.50%	335,421	9.39%	564,077
PORS					
June 30, 2014	\$ 219,851	7.84%	\$ 360,061	12.44%	\$ 579,912
June 30, 2013	189,724	7.00%	333,372	11.90%	523,096
June 30, 2012	168,408	6.50%	300,302	11.36%	468,710

South Carolina Retirement System 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. During the TERI period, participants are eligible for the contributing retiree group life insurance benefit equaled to one year's salary, but are not eligible for disability retirement. Effective July 1, 2007, TERI participants who entered the program after July 1, 2006 are required to pay the same pre-tax contribution to SCRS during the TERI period, but do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. The TERI program will end effective June 30, 2018.

Ten year historical trend information presenting the retirement system's progress in accumulating sufficient assets to pay benefits when due is presented annually by the South Carolina Retirement System. 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, SC 29211-1960.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Great-West Retirement Services, P.O. Box 173764, Denver CO 80217-3764, (under state contract) is the program administrator of the 457 plan as well as the 401(k) plan and 401(k) Roth plan which are also available to County employees at their option.

The County 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 plans.

B. Component Unit

Retirement Plan

The Hospital has a defined contribution pension plan (the "Plan") covering substantially all of its employees who are regularly employed by the Hospital for at least 32 hours each week, have completed at least one year of continuous service, and have reached the age of 21. Annually, the Hospital contributes an amount equal to 2.2% of each participant's compensation to the Plan. Participants may make additional contributions (subject to Internal Revenue Service limitations) and such additional contributions will be matched by the Hospital up to 4.5% of their compensation. For the years ended September 30, 2013 and 2012, the Hospital contributed approximately \$113,000 and \$224,000, respectively, to the Plan.

NOTE 9. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances as of June 30, 2014, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 59,899
		\$ 59,899

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances normally clear within one to two months.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

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, 2014 consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 171,090
General Fund	EMS Fund	15,980
Nonmajor Governmental Funds	General Fund	191,474
		\$ 378,544

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10. 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 State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. 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. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

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 11. 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, 2014, 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 12. LITIGATION

The County is party to a number of lawsuits arising in the course of operations. It is the opinion of management, in consultation with legal counsel, that it cannot be determined whether resolution of the other pending cases will have a material adverse effect on the financial condition of the County.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

The County has determined that a restatement to beginning net position of governmental activities is required to reflect corrections of errors in the June 30, 2013 financial report. These restatements are as follows:

	Governmental Activities
Governmental activities net position, as previously reported	\$ 21,151,497
Adjustment needed to properly state the due from Component Unit related to County debt	(1,937,275)
Adjustment needed to properly state the County's capital assets	458,500
Individual fund level prior period adjustments discussed below	3,502,949
Governmental activities net position, as restated	\$ 23,175,671

The County has determined that a restatement of General Fund assets and fund balance of \$11,362 is required to properly implement GASB 54 due to several funds being erroneously classified as special revenue funds. Additionally, the County has determined that a restatement of General Fund assets and fund balance of \$1,686,934 is required to properly record assets due to the County that were previously reported in an Agency Fund. The County has also determined that a restatement of Debt Service Fund assets and fund balance is required to include an intergovernmental receivable due from the County's discretely presented component unit. The restatement within the Debt Service Fund resulted in an increase of \$1,816,015. The restatement is as follows:

	General Fund	Debt Service Fund	Other Governmental Funds
Fund balance, as previously reported	\$ 3,504,471	\$ 335,258	\$ 1,421,920
Adjustment needed to include the School Resource Officer I Fund as a department of the General Fund in accordance with GASB 54	3	-	(3)
Adjustment needed to include the SCCFG Grant Fund as a department of the General Fund in accordance with GASB 54	647	-	(647)
Adjustment needed to include the JAG CDV Grant Fund as a department of the General Fund in accordance with GASB 54	4,267	-	(4,267)
Adjustment needed to include the Burglar Fund as a department of the General Fund in accordance with GASB 54	6,445	-	(6,445)
Adjustment needed to reclassify assets of the General Fund that were previously reported in an agency fund	1,686,934	-	-
Adjustment needed to properly state the County's intergovernmental receivable	-	1,816,015	-
Fund balance, as restated	\$ 5,202,767	\$ 2,151,273	\$ 1,410,558

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS (CONTINUED)

The County has determined that a restatement to beginning net position of the Tri-County Solid Waste Authority is required to reflect a correction of an error related to the Authority's capital assets in the June 30, 2013 financial report. This restatement is as follows:

	<u>Business type Activities</u>	<u>Enterprise Fund Tri-County Solid Waste Authority</u>	<u>Component Unit Tri-County Solid Waste Authority</u>
Net position, as previously reported	\$ 3,651,268	\$ 3,651,268	\$ -
Adjustment needed to reclassify the Tri-County Solid Waste Authority as a discretely presented component unit	(3,651,268)	(3,651,268)	3,651,268
Adjustment needed to properly state the Authority's capital assets	-	-	(49,791)
Net position, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,601,477</u>

The County has determined that a restatement of the Tri-County Solid Waste Authority is needed to properly report the Authority as a discretely presented component unit. The restatement within the Tri-County Solid Waste Authority resulted in a decrease in the business-type activities net position of \$3,651,268 and an increase in the component unit net position of \$3,651,268. Additionally, the Tri-County Solid Waste Authority has determined that a restatement is needed to properly state the Authority's capital assets. The restatement resulted in a decrease in net position of \$49,791.

To further explain the above restatements, the following thoughts are provided:

Adjustment of Long-Term Debt. The County noted that certain bonds payable recorded in the Edgefield County Hospital, a discretely presented component unit, financial statements should be recorded as debt of the County. This error caused an understatement of accounts receivable and fund balance within the County's Debt Service Fund. This also caused an understatement of long-term debt in the governmental activities column of the government-wide financial statements. Such errors were a result of a misinterpretation of the debt agreement. The County determined that an adjustment to increase due from component unit and increase fund balance in the amount of \$1,816,015 in the Debt Service Fund, and an adjustment to increase bonds payable and decrease governmental activities net position in the amount of \$1,816,015 in the government-wide financial statements, were required to appropriately reflect the long-term debt in the County's financial statements. This adjustment also resulted in an increase in due from component unit and an increase in net position in the government-wide financial statements of \$1,816,015. Additionally, the County noted that their portion of the landfill post-closure care costs of the Tri-County Solid Waste Authority, a discretely presented component unit, were not properly recorded. This error caused an understatement of the amount due to the component unit and net position in the government-wide financial statements in the amount of \$121,260.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS (CONTINUED)

Adjustment Related to Implementation of GASB 54. GASB 54 defines special revenue funds as those used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County noted certain Funds that do not meet the definition of a special revenue fund in accordance with GASB 54, therefore the activity should be accounted for in the General Fund. The County determined that an adjustment to increase assets and fund balance in the amount of \$11,362 in the General Fund and decrease assets and fund balance in the School Resource Officer I Fund in the amount of \$3; SCCFG Fund in the amount of \$647; JAG CDV Grant Program Fund in the amount of \$4,267; and Burglar Fund in the amount of \$6,445 were required to properly report the respective Funds.

Adjustment of Due from Other Agency Funds. GASB 34 requires agency funds to be used to report resources held by the reporting government in a purely custodial capacity. Amounts reported in agency funds should be limited to assets that are being held for individuals, private organizations, or other governments outside the primary government. When an agency fund is used as a clearing account for County funds, the balance that pertains to other funds of the County should be reported as cash. The County determined that an adjustment to increase assets and fund balance in the amount of \$1,686,934 was required in the General Fund to properly record funds being held by the Local Option Sales Tax Fund, an Agency Fund.

Adjustment related to reclassification of the Tri County Solid Waste Authority as a discretely presented component unit. The County determined that an adjustment to reclassify the Tri-County Solid Waste Authority from an enterprise fund to a discretely presented component unit was required. This resulted in a decrease to net position of the Tri-County Solid Waste Authority, previously a proprietary fund of the County, and the business type activities in the amount of \$3,651,268. Additionally, this resulted in an increase in net position of the discretely presented component unit in the amount of \$3,651,268.

Adjustment of Capital Assets. The County noted that certain capital assets and corresponding accumulated depreciation had been improperly reported in prior periods. As it relates to governmental capital assets, the County noted \$458,500 in accumulated depreciation that was taken in prior years on assets that were not depreciable. As such, an adjustment of this amount was made to decrease accumulated depreciation and increase governmental activities net position. Additionally, as it relates to the Tri-County Solid Waste Authority, the Authority noted items included on their capital asset listing that were no longer assets owned by the Authority. As such, an adjustment was made to decrease capital assets and decrease net position of the Tri-County Solid Waste Authority by \$49,791, the net book value of these assets.

REQUIRED SUPPLEMENTARY INFORMATION

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 5,188,317	\$ 4,835,417	\$ 5,037,388	\$ 201,971
Sales taxes	-	-	1,047,866	1,047,866
Licenses, permits and fees	425,300	425,300	566,536	141,236
Intergovernmental	1,296,837	1,380,384	1,391,304	10,920
Charges for services	15,500	223,260	219,247	(4,013)
Fines and forfeitures	180,500	402,500	425,355	22,855
Interest revenue	15,000	15,000	16,383	1,383
Other revenues	166,700	297,600	303,106	5,506
Total revenues	<u>7,288,154</u>	<u>7,579,461</u>	<u>9,007,185</u>	<u>1,427,724</u>
EXPENDITURES:				
Current:				
General government	513,678	513,678	485,640	28,038
Staff agencies	1,578,869	1,596,500	1,554,648	41,852
Finance agencies	664,596	664,596	621,521	43,075
Public safety	3,781,091	4,018,102	3,899,683	118,419
Public works	103,485	103,485	105,173	(1,688)
Health and social services	94,023	94,023	89,897	4,126
Building maintenance	270,303	295,831	297,716	(1,885)
Nondepartmental	1,553,565	1,553,565	1,493,586	59,979
Capital outlay	36,287	72,952	72,523	429
Debt service:				
Principal retirement	22,708	22,708	22,707	1
Interest and fiscal charges	362	362	362	-
Total expenditures	<u>8,618,967</u>	<u>8,935,802</u>	<u>8,643,456</u>	<u>292,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,330,813)</u>	<u>(1,356,341)</u>	<u>363,729</u>	<u>1,720,070</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,169,700	1,169,700	187,070	(982,630)
Transfers out	(191,474)	(191,474)	(191,474)	-
Total other financing sources (uses)	<u>978,226</u>	<u>978,226</u>	<u>(4,404)</u>	<u>(982,630)</u>
Net change in fund balances	(352,587)	(378,115)	359,325	737,440
Fund balances, beginning of year as restated	<u>5,202,767</u>	<u>5,202,767</u>	<u>5,202,767</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,850,180</u>	<u>\$ 4,824,652</u>	<u>\$ 5,562,092</u>	<u>\$ 737,440</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government:				
County council				
Personnel services	\$ 55,894	\$ 55,894	\$ 55,776	\$ 118
Operating expenses	60,100	60,100	43,592	16,508
Total county council	<u>115,994</u>	<u>115,994</u>	<u>99,368</u>	<u>16,626</u>
County administrator's office				
Personnel services	351,934	351,934	353,447	(1,513)
Operating expenses	45,750	45,750	32,825	12,925
Capital outlay	2,500	2,500	2,798	(298)
Total county administrator's office	<u>400,184</u>	<u>400,184</u>	<u>389,070</u>	<u>11,114</u>
Total current expenditures	513,678	513,678	485,640	28,038
Total capital outlay	2,500	2,500	2,798	(298)
Total general government	<u>516,178</u>	<u>516,178</u>	<u>488,438</u>	<u>27,740</u>
Staff agencies:				
Clerk of court				
Personnel services	246,906	246,906	243,680	3,226
Operating expenses	139,495	139,495	124,895	14,600
Total clerk of court	<u>386,401</u>	<u>386,401</u>	<u>368,575</u>	<u>17,826</u>
Circuit court				
Personnel services	12,190	12,190	9,596	2,594
Operating expenses	38,300	38,300	23,926	14,374
Total circuit court	<u>50,490</u>	<u>50,490</u>	<u>33,522</u>	<u>16,968</u>
County archives				
Personnel services	32,846	32,846	32,983	(137)
Operating expenses	3,475	3,475	2,962	513
Total county archives	<u>36,321</u>	<u>36,321</u>	<u>35,945</u>	<u>376</u>
Coroner				
Personnel services	56,725	56,725	56,750	(25)
Operating expenses	36,200	53,831	55,110	(1,279)
Total coroner	<u>92,925</u>	<u>110,556</u>	<u>111,860</u>	<u>(1,304)</u>
Veterans' affairs				
Personnel services	72,719	72,719	72,700	19
Operating expenses	9,310	9,310	8,744	566
Total veterans' affairs	<u>82,029</u>	<u>82,029</u>	<u>81,444</u>	<u>585</u>
Magistrate				
Personnel services	278,744	278,744	278,281	463
Operating expenses	36,290	36,290	28,824	7,466
Total magistrate	<u>315,034</u>	<u>315,034</u>	<u>307,105</u>	<u>7,929</u>
Probate judge				
Personnel services	168,848	168,848	171,691	(2,843)
Operating expenses	20,850	20,850	17,436	3,414
Capital outlay	300	300	38	262
Total probate judge	<u>189,998</u>	<u>189,998</u>	<u>189,165</u>	<u>833</u>

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Staff agencies: (Continued)				
Board of registration				
Personnel services	\$ 71,108	\$ 71,108	\$ 95,362	\$ (24,254)
Operating expenses	33,005	33,005	26,871	6,134
Capital outlay	10,375	10,375	8,345	2,030
Total board of registration	<u>114,488</u>	<u>114,488</u>	<u>130,578</u>	<u>(16,090)</u>
Tri-county public defender				
Operating expenses	25,025	25,025	25,006	19
Total tri-county public defender	<u>25,025</u>	<u>25,025</u>	<u>25,006</u>	<u>19</u>
Planning commission				
Personnel services	190,037	190,037	178,108	11,929
Operating expenses	26,929	26,929	22,095	4,834
Total planning commission	<u>216,966</u>	<u>216,966</u>	<u>200,203</u>	<u>16,763</u>
Circuit judge				
Operating expenses	680	680	341	339
Total circuit judge	<u>680</u>	<u>680</u>	<u>341</u>	<u>339</u>
GIS/Grant writing				
Personnel services	63,587	63,587	64,732	(1,145)
Operating expenses	15,600	15,600	14,555	1,045
Total GIS/Grant writing	<u>79,187</u>	<u>79,187</u>	<u>79,287</u>	<u>(100)</u>
Total current expenditures	1,578,869	1,596,500	1,554,648	44,144
Total capital outlay	10,675	10,675	8,383	-
Total staff agencies	<u>1,589,544</u>	<u>1,607,175</u>	<u>1,563,031</u>	<u>44,144</u>
Finance agencies:				
Tax assessor				
Personnel services	198,064	198,064	192,704	5,360
Operating expenses	49,700	49,700	41,138	8,562
Total tax assessor	<u>247,764</u>	<u>247,764</u>	<u>233,842</u>	<u>13,922</u>
Auditor				
Personnel services	94,303	94,303	94,076	227
Operating expenses	5,920	5,920	5,735	185
Total auditor	<u>100,223</u>	<u>100,223</u>	<u>99,811</u>	<u>412</u>
Treasurer				
Personnel services	112,787	112,787	112,952	(165)
Operating expenses	53,450	53,450	30,911	22,539
Total treasurer	<u>166,237</u>	<u>166,237</u>	<u>143,863</u>	<u>22,374</u>
Tax collector				
Personnel services	64,102	64,102	62,506	1,596
Operating expenses	86,270	86,270	81,499	4,771
Total tax collector	<u>150,372</u>	<u>150,372</u>	<u>144,005</u>	<u>6,367</u>
Total current expenditures	664,596	664,596	621,521	43,075
Total finance agencies	<u>664,596</u>	<u>664,596</u>	<u>621,521</u>	<u>43,075</u>

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public safety:				
Sheriff's office				
Personnel services	\$ 1,844,146	\$ 1,844,146	\$ 1,832,001	\$ 12,145
Operating expenses	298,600	298,600	337,238	(38,638)
Capital outlay	10,000	10,000	14,960	(4,960)
Total sheriff's office	<u>2,152,746</u>	<u>2,152,746</u>	<u>2,184,199</u>	<u>(31,453)</u>
School resource officer				
School resource I	-	117,876	70,133	47,743
School resource II	-	53,689	53,686	3
School resource III	-	36,195	36,192	3
Event security	-	-	46,783	(46,783)
Total school resource officer	<u>-</u>	<u>207,760</u>	<u>206,794</u>	<u>966</u>
E911 dispatch operator				
Personnel services	388,763	388,763	398,270	(9,507)
Operating expenses	31,150	31,150	29,192	1,958
Total E911 dispatch operator	<u>419,913</u>	<u>419,913</u>	<u>427,462</u>	<u>(7,549)</u>
County jail				
Personnel services	693,490	693,490	606,676	86,814
Operating expenses	336,500	336,500	251,749	84,751
Capital outlay	500	500	268	232
Total county jail	<u>1,030,490</u>	<u>1,030,490</u>	<u>858,693</u>	<u>171,797</u>
Animal control				
Personnel services	40,694	40,694	39,014	1,680
Operating expenses	48,401	48,401	69,042	(20,641)
Capital outlay	1,000	1,000	905	95
Total animal control	<u>90,095</u>	<u>90,095</u>	<u>108,961</u>	<u>(18,866)</u>
Emergency preparedness				
Personnel services	74,983	74,983	72,111	2,872
Operating expenses	24,364	53,615	57,596	(3,981)
Capital outlay	3,412	40,077	37,692	2,385
Total emergency preparedness	<u>102,759</u>	<u>168,675</u>	<u>167,399</u>	<u>1,276</u>
Total current expenditures	3,781,091	4,018,102	3,899,683	118,419
Total capital outlay	14,912	51,577	53,825	(2,248)
Total public safety	<u>3,796,003</u>	<u>4,069,679</u>	<u>3,953,508</u>	<u>116,171</u>
Public works:				
Maintenance garage				
Personnel services	87,830	87,830	87,339	491
Operating expenses	7,600	7,600	9,241	(1,641)
Capital outlay	3,000	3,000	-	3,000
Total maintenance garage	<u>98,430</u>	<u>98,430</u>	<u>96,580</u>	<u>1,850</u>
Fuel site				
Operating expenses	2,140	2,140	2,681	(541)
Total fuel site	<u>2,140</u>	<u>2,140</u>	<u>2,681</u>	<u>(541)</u>
Delegation secretary				
Personnel services	5,915	5,915	5,912	3
Total delegation secretary	<u>5,915</u>	<u>5,915</u>	<u>5,912</u>	<u>3</u>

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works: (Continued)				
Total current expenditures	\$ 103,485	\$ 103,485	\$ 105,173	\$ (1,688)
Total capital outlay	3,000	3,000	-	3,000
Total public works	<u>106,485</u>	<u>106,485</u>	<u>105,173</u>	<u>1,312</u>
Health and social services:				
Edgefield County senior citizens council				
Operating expenses	3,000	3,000	3,000	-
Total Edgefield County senior citizens council	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Medical indigent				
Operating expenses	39,148	39,148	39,148	-
Total medical indigent	<u>39,148</u>	<u>39,148</u>	<u>39,148</u>	<u>-</u>
Alcohol and drug abuse				
Operating expenses	45,000	45,000	41,449	3,551
Total alcohol and drug abuse	<u>45,000</u>	<u>45,000</u>	<u>41,449</u>	<u>3,551</u>
County health department				
Operating expenses	6,875	6,875	6,300	575
Total county health department	<u>6,875</u>	<u>6,875</u>	<u>6,300</u>	<u>575</u>
Total current expenditures	<u>94,023</u>	<u>94,023</u>	<u>89,897</u>	<u>4,126</u>
Total health and social services	<u>94,023</u>	<u>94,023</u>	<u>89,897</u>	<u>4,126</u>
Building maintenance:				
Courthouse building				
Operating expenses	74,140	95,940	92,020	3,920
Capital outlay	3,000	3,000	5,800	(2,800)
Total courthouse building	<u>77,140</u>	<u>98,940</u>	<u>97,820</u>	<u>1,120</u>
County council chambers				
Operating expenses	15,378	15,378	15,302	76
Total county council chambers	<u>15,378</u>	<u>15,378</u>	<u>15,302</u>	<u>76</u>
County auditor's building				
Operating expenses	6,800	10,528	10,345	183
Total county auditor's building	<u>6,800</u>	<u>10,528</u>	<u>10,345</u>	<u>183</u>
Department of social services building				
Operating expenses	19,440	19,440	18,114	1,326
Total department of social services building	<u>19,440</u>	<u>19,440</u>	<u>18,114</u>	<u>1,326</u>
County administrative building				
Operating expenses	10,210	10,210	14,026	(3,816)
Total county administrative building	<u>10,210</u>	<u>10,210</u>	<u>14,026</u>	<u>(3,816)</u>
Agriculture building				
Operating expenses	13,160	13,160	15,880	(2,720)
Total agriculture building	<u>13,160</u>	<u>13,160</u>	<u>15,880</u>	<u>(2,720)</u>
Health building				
Operating expenses	7,050	7,050	5,855	1,195
Total health building	<u>7,050</u>	<u>7,050</u>	<u>5,855</u>	<u>1,195</u>

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Building maintenance: (Continued)				
Magistrate building				
Operating expenses	\$ 6,535	\$ 6,535	\$ 9,574	\$ (3,039)
Total magistrate building	<u>6,535</u>	<u>6,535</u>	<u>9,574</u>	<u>(3,039)</u>
Neighborhood center - salary and utilities				
Operating expenses	20,230	20,230	17,796	2,434
Total neighborhood center - salary and utilities	<u>20,230</u>	<u>20,230</u>	<u>17,796</u>	<u>2,434</u>
Sheriff's building				
Operating expenses	34,880	34,880	29,006	5,874
Capital outlay	2,200	2,200	1,717	483
Total sheriff's building	<u>37,080</u>	<u>37,080</u>	<u>30,723</u>	<u>6,357</u>
County jail building				
Operating expenses	52,480	52,480	56,583	(4,103)
Total county jail building	<u>52,480</u>	<u>52,480</u>	<u>56,583</u>	<u>(4,103)</u>
Maintenance garage				
Operating expenses	3,860	3,860	4,733	(873)
Total maintenance garage	<u>3,860</u>	<u>3,860</u>	<u>4,733</u>	<u>(873)</u>
Kneece building				
Operating expenses	6,140	6,140	8,482	(2,342)
Total Kneece building	<u>6,140</u>	<u>6,140</u>	<u>8,482</u>	<u>(2,342)</u>
Total current expenditures	270,303	295,831	297,716	(1,885)
Total capital outlay	5,200	5,200	7,517	(2,317)
Total building maintenance	<u>275,503</u>	<u>301,031</u>	<u>305,233</u>	<u>(4,202)</u>
Nondepartmental:				
Miscellaneous	13,456	13,456	3,456	10,000
County agent	1,000	1,000	500	500
Employment and social security office	450	450	339	111
Soil and water conservation office	2,000	2,000	2,000	-
Probation office	1,500	1,500	1,135	365
Upper Savannah Council of Governments	18,669	18,669	18,669	-
Piedmont Technical Education Center	47,000	47,000	47,000	-
Professional services	1,293,780	1,293,780	1,234,641	59,139
ABBE Regional Library	175,710	175,710	185,846	(10,136)
Total current expenditures	<u>1,553,565</u>	<u>1,553,565</u>	<u>1,493,586</u>	<u>59,979</u>
Total nondepartmental	<u>1,553,565</u>	<u>1,553,565</u>	<u>1,493,586</u>	<u>59,979</u>
Debt service:				
Principal retirement	22,708	22,708	22,707	1
Interest and fiscal charges	362	362	362	-
Total debt service	<u>23,070</u>	<u>23,070</u>	<u>23,069</u>	<u>1</u>
Total expenditures	<u>\$ 8,618,967</u>	<u>\$ 8,935,802</u>	<u>\$ 8,643,456</u>	<u>\$ 292,346</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
EMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 813,000	\$ 813,000	\$ 835,097	\$ 22,097
Charges for services	619,500	619,500	492,429	(127,071)
Interest revenue	1,500	1,500	694	(806)
Other revenues	8,000	8,000	30,510	22,510
Total revenues	<u>1,442,000</u>	<u>1,442,000</u>	<u>1,358,730</u>	<u>(83,270)</u>
EXPENDITURES:				
Current:				
Health and social services	<u>1,588,915</u>	<u>1,588,915</u>	<u>1,564,695</u>	<u>24,220</u>
Total expenditures	<u>1,588,915</u>	<u>1,588,915</u>	<u>1,564,695</u>	<u>24,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,915)</u>	<u>(146,915)</u>	<u>(205,965)</u>	<u>(59,050)</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(15,980)</u>	<u>(15,980)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(15,980)</u>	<u>(15,980)</u>
Net change in fund balances	(146,915)	(146,915)	(221,945)	(75,030)
Fund balances, beginning of year	<u>453,526</u>	<u>453,526</u>	<u>453,526</u>	<u>-</u>
Fund balances, end of year	<u>\$ 306,611</u>	<u>\$ 306,611</u>	<u>\$ 231,581</u>	<u>\$ (75,030)</u>

COMBINING STATEMENTS AND SCHEDULES

EDGEFIELD COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Industrial Development Fund** is used to account for property taxes levied for the upkeep of the Industrial Park and to promote economic development.

The **Victim's Bill of Rights Fund** is used to account for the revenues received from assessments and surcharges for the Victim's Services Advocate and related expenditures.

The **County Tire Fund** is used to account for revenues received from Saluda and McCormick Counties used for tire disposal fees received from the state.

The **911 Surcharge Fund** is used to account revenues received from surcharges designated for 911 and state reimbursements used for E911 services.

The **User Fee Fund** is used to account for revenues received from the solid waste fee to be used to fund waste disposal operations in the County.

The **Road Fee Fund** is used to account for revenues received from the \$20 road fee used for road maintenance upkeep and repairs.

The **Assistant Solicitor Fund** is used to account for revenues received from the 11th Circuit for personnel expenditures.

The **Solicitor Fund** is used to account for revenues received from Edgefield, McCormick and Edgefield Counties for personnel expenditures.

The **Recreation Fund** is used to account for revenues received from taxes for expenditures associated with the operation of the County's recreation programs.

The **SRO Grant Program Fund** is used to account for grant revenues received from the State of South Carolina and matching revenues received from the Edgefield County School District. The purpose of this program is to provide a school resource officer at Merriwether Middle School.

EDGEFIELD COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

The **Tri-County Juvenile Justice Grant Fund** is used to account for revenues received from the state used for grant expenditures for the Tri-County Juvenile Justice Program. The purpose of this program is to address the issues related to the disproportionate handling of minority youth in the justice system.

The **Pre Trial Intervention Fund** is used to account for revenues received from the 11th Circuit for personnel expenditures.

The **Sheriff Grants Fund** is used to account for discretionary grant funds received from the state for child support and inmate recreation expenditures.

The **Clerk of Court Grants Fund** is used to account for discretionary grant funds received from the state for child support and family court expenditures.

The **Criminal Domestic Violence Fund** is used to account for revenues received from the 11th Circuit court for personnel expenditures related to criminal domestic violence.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the County's governmental funds.

The **\$750,000 Equipment Lease Purchase Fund** is used to account for lease proceeds used to purchase new equipment for the Road Maintenance Department.

The **\$765,000 General Obligation Bond Fund** accounts for bond proceeds used to install a security system in the Courthouse, install GIS software and digital mapping for the Tax Assessor's Office, install a records management system in the Clerk of Court's Office, and construct and equip a new recreation facility.

The **Administrative Building Renovation Project Fund** is used to account for bond proceeds used to renovate and equip the County Administration Office.

The **Neighborhood Center Project Fund** is used to account for insurance proceeds received for the fire at the Neighborhood Center.

The **\$750,000 General Obligation Bond Fund** accounts for bond proceeds used to purchase emergency vehicles.

EDGEFIELD COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 876,122	\$ 124,355	\$ 1,000,477
Investments	140,591	7,481	148,072
Taxes receivable	96,939	-	96,939
Accounts receivable, net	74,759	-	74,759
Total assets	<u>\$ 1,188,411</u>	<u>\$ 131,836</u>	<u>\$ 1,320,247</u>
LIABILITIES			
Accounts payable	\$ 6,799	\$ -	\$ 6,799
Accrued liabilities	31,091	-	31,091
Due to other funds	27,694	32,205	59,899
Total liabilities	<u>65,584</u>	<u>32,205</u>	<u>97,789</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	4,933	-	4,933
Total deferred inflows of resources	<u>4,933</u>	<u>-</u>	<u>4,933</u>
FUND BALANCES			
Restricted for:			
Public works	505,581	-	505,581
Health and social services	165,577	-	165,577
Public safety	438,987	-	438,987
Industrial development	14,790	-	14,790
Capital projects	-	131,569	131,569
Committed:			
Capital projects	-	267	267
Unassigned	(7,041)	(32,205)	(39,246)
Total fund balances	<u>1,117,894</u>	<u>99,631</u>	<u>1,217,525</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,188,411</u>	<u>\$ 131,836</u>	<u>\$ 1,320,247</u>

EDGEFIELD COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Totals
Revenues:			
Taxes	\$ 652,300	\$ -	\$ 652,300
Intergovernmental	482,642	-	482,642
Local funds	934,812	-	934,812
Charges for services	1,121,361	-	1,121,361
Interest revenue	1,494	203	1,697
Other revenues	124,412	-	124,412
Total revenues	<u>3,317,021</u>	<u>203</u>	<u>3,317,224</u>
Expenditures:			
Current:			
Public safety	1,547,655	-	1,547,655
Public works	1,374,731	-	1,374,731
Health and social services	263,529	-	263,529
Nondepartmental	94,713	-	94,713
Capital outlay	4,575	245,438	250,013
Total expenditures	<u>3,285,203</u>	<u>245,438</u>	<u>3,530,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,818</u>	<u>(245,235)</u>	<u>(213,417)</u>
Other financing sources (uses)			
Transfers in	191,474	-	191,474
Transfers out	(171,090)	-	(171,090)
Total other financing sources (uses)	<u>20,384</u>	<u>-</u>	<u>20,384</u>
Net change in fund balances	52,202	(245,235)	(193,033)
Fund balances, beginning of year, as restated	<u>1,065,692</u>	<u>344,866</u>	<u>1,410,558</u>
Fund balances, end of year	<u>\$ 1,117,894</u>	<u>\$ 99,631</u>	<u>\$ 1,217,525</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Industrial Development	Victim's Bill of Rights	County Tire Fund	911 Surcharge	User Fee Fund	Road Fee Fund
ASSETS						
Cash and cash equivalents	\$ 10,684	\$ 75,727	\$ -	\$ 173,751	\$ 142,461	\$ 163,437
Investments	2,957	4,399	-	48,239	35,912	42,846
Taxes receivable	2,895	-	-	-	88,779	-
Accounts receivable, net	-	2,288	405	-	-	40,755
Total assets	<u>\$ 16,536</u>	<u>\$ 82,414</u>	<u>\$ 405</u>	<u>\$ 221,990</u>	<u>\$ 267,152</u>	<u>\$ 247,038</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 574	\$ 1,650
Accrued liabilities	-	753	-	920	692	5,693
Due to other funds	-	-	937	-	-	-
Total liabilities	<u>-</u>	<u>753</u>	<u>937</u>	<u>920</u>	<u>1,266</u>	<u>7,343</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,746	-	-	-	-	-
Total deferred inflows of resources	<u>1,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted for:						
Public works	-	-	-	-	265,886	239,695
Health and social services	-	-	-	-	-	-
Public safety	-	81,661	-	221,070	-	-
Industrial development	14,790	-	-	-	-	-
Unassigned	-	-	(532)	-	-	-
Total fund balances	<u>14,790</u>	<u>81,661</u>	<u>(532)</u>	<u>221,070</u>	<u>265,886</u>	<u>239,695</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,536</u>	<u>\$ 82,414</u>	<u>\$ 405</u>	<u>\$ 221,990</u>	<u>\$ 267,152</u>	<u>\$ 247,038</u>

Assistant Solicitor	Solicitor	Recreation	SRO Grant Program	Tri-County Juvenile Justice Grant	Pre Trial Intervention	Sheriff Grants
\$ 9,241	\$ 55,754	\$ 19,744	\$ -	\$ 336	\$ 58	\$ 84,933
-	-	6,238	-	-	-	-
-	-	5,265	-	-	-	-
-	-	-	26,757	-	-	-
<u>\$ 9,241</u>	<u>\$ 55,754</u>	<u>\$ 31,247</u>	<u>\$ 26,757</u>	<u>\$ 336</u>	<u>\$ 58</u>	<u>\$ 84,933</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,023	6,101	1,124	965	-	3,820	-
-	-	-	26,757	-	-	-
<u>11,023</u>	<u>6,101</u>	<u>1,124</u>	<u>27,722</u>	<u>-</u>	<u>3,820</u>	<u>-</u>
-	-	3,187	-	-	-	-
-	-	<u>3,187</u>	-	-	-	-
-	-	-	-	-	-	-
-	-	26,936	-	-	-	-
-	49,653	-	-	336	-	84,933
-	-	-	-	-	-	-
(1,782)	-	-	(965)	-	(3,762)	-
<u>(1,782)</u>	<u>49,653</u>	<u>26,936</u>	<u>(965)</u>	<u>336</u>	<u>(3,762)</u>	<u>84,933</u>
<u>\$ 9,241</u>	<u>\$ 55,754</u>	<u>\$ 31,247</u>	<u>\$ 26,757</u>	<u>\$ 336</u>	<u>\$ 58</u>	<u>\$ 84,933</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Clerk of Court Grants	Criminal Domestic Violence	Totals
ASSETS			
Cash and cash equivalents	\$ 138,662	\$ 1,334	\$ 876,122
Investments	-	-	140,591
Taxes receivable	-	-	96,939
Accounts receivable, net	4,554	-	74,759
Total assets	<u>\$ 143,216</u>	<u>\$ 1,334</u>	<u>\$ 1,188,411</u>
LIABILITIES			
Accounts payable	\$ 4,575	\$ -	\$ 6,799
Accrued liabilities	-	-	31,091
Due to other funds	-	-	27,694
Total liabilities	<u>4,575</u>	<u>-</u>	<u>65,584</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	4,933
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>4,933</u>
FUND BALANCES			
Restricted for:			
Public works	-	-	505,581
Health and social services	138,641	-	165,577
Public safety	-	1,334	438,987
Industrial development	-	-	14,790
Unassigned	-	-	(7,041)
Total fund balances	<u>138,641</u>	<u>1,334</u>	<u>1,117,894</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 143,216</u>	<u>\$ 1,334</u>	<u>\$ 1,188,411</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Industrial Development	Victim's Bill of Rights	County Tire Fund	911 Surcharge	User Fee Fund	Road Fee Fund
Revenues:						
Taxes	\$ 64,417	\$ -	\$ -	\$ -	\$ -	\$ 469,750
Intergovernmental	-	-	10,349	157,201	-	45,705
Local funds	-	46,115	11,095	-	-	40
Charges for services	-	-	-	-	895,219	-
Interest revenue	44	28	13	495	454	306
Other revenues	1,000	-	-	-	322	123,090
Total revenues	<u>65,461</u>	<u>46,143</u>	<u>21,457</u>	<u>157,696</u>	<u>895,995</u>	<u>638,891</u>
Expenditures:						
Current:						
Public safety	-	54,252	-	127,489	-	-
Public works	-	-	-	-	845,026	529,705
Health and social services	-	-	-	-	-	-
Nondepartmental	65,619	-	29,094	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>65,619</u>	<u>54,252</u>	<u>29,094</u>	<u>127,489</u>	<u>845,026</u>	<u>529,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(158)</u>	<u>(8,109)</u>	<u>(7,637)</u>	<u>30,207</u>	<u>50,969</u>	<u>109,186</u>
Other financing sources (uses)						
Transfers in	-	18,000	-	-	-	-
Transfers out	(4,000)	-	-	-	(97,220)	(15,000)
Total other financing sources (uses)	<u>(4,000)</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>(97,220)</u>	<u>(15,000)</u>
Net change in fund balances	(4,158)	9,891	(7,637)	30,207	(46,251)	94,186
Fund balances, beginning of year	<u>18,948</u>	<u>71,770</u>	<u>7,105</u>	<u>190,863</u>	<u>312,137</u>	<u>145,509</u>
Fund balances, end of year	<u>\$ 14,790</u>	<u>\$ 81,661</u>	<u>\$ (532)</u>	<u>\$ 221,070</u>	<u>\$ 265,886</u>	<u>\$ 239,695</u>

Assistant Solicitor	Solicitor	Recreation	SRO Grant Program	Tri-County Juvenile Justice Grant	Pre Trial Intervention	Sheriff Grants
\$ -	\$ -	\$ 118,133	\$ -	\$ -	\$ -	\$ -
-	-	2,105	85,068	-	-	22,042
650,538	227,024	-	-	-	-	-
-	-	61,327	-	-	164,815	-
-	-	152	-	-	-	2
-	-	-	-	-	-	-
<u>650,538</u>	<u>227,024</u>	<u>181,717</u>	<u>85,068</u>	<u>-</u>	<u>164,815</u>	<u>22,044</u>
652,320	348,825	-	86,033	-	168,577	19,533
-	-	-	-	-	-	-
-	-	225,145	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>652,320</u>	<u>348,825</u>	<u>225,145</u>	<u>86,033</u>	<u>-</u>	<u>168,577</u>	<u>19,533</u>
<u>(1,782)</u>	<u>(121,801)</u>	<u>(43,428)</u>	<u>(965)</u>	<u>-</u>	<u>(3,762)</u>	<u>2,511</u>
-	173,474	-	-	-	-	-
-	(30,000)	(7,500)	-	-	-	-
-	143,474	(7,500)	-	-	-	-
(1,782)	21,673	(50,928)	(965)	-	(3,762)	2,511
-	27,980	77,864	-	336	-	82,422
<u>\$ (1,782)</u>	<u>\$ 49,653</u>	<u>\$ 26,936</u>	<u>\$ (965)</u>	<u>\$ 336</u>	<u>\$ (3,762)</u>	<u>\$ 84,933</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Clerk of Court Grants	Criminal Domestic Violence	Totals
Revenues:			
Taxes	\$ -	\$ -	\$ 652,300
Intergovernmental	69,035	91,137	482,642
Local funds	-	-	934,812
Charges for services	-	-	1,121,361
Interest revenue	-	-	1,494
Other revenues	-	-	124,412
Total revenues	69,035	91,137	3,317,021
Expenditures:			
Current:			
Public safety	-	90,626	1,547,655
Public works	-	-	1,374,731
Health and social services	38,384	-	263,529
Nondepartmental	-	-	94,713
Capital outlay	4,575	-	4,575
Total expenditures	42,959	90,626	3,285,203
Excess (deficiency) of revenues over (under) expenditures	26,076	511	31,818
Other financing sources (uses)			
Transfers in	-	-	191,474
Transfers out	(17,370)	-	(171,090)
Total other financing sources (uses)	(17,370)	-	20,384
Net change in fund balances	8,706	511	52,202
Fund balances, beginning of year	129,935	823	1,065,692
Fund balances, end of year	\$ 138,641	\$ 1,334	\$ 1,117,894

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2014**

	<u>\$750,000 Equipment Lease Purchase</u>	<u>\$765,000 General Obligation Bond</u>	<u>Administrative Building Renovation Project</u>	<u>Neighborhood Center Project</u>	<u>\$750,000 General Obligation Bond</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 16,163	\$ 77,768	\$ 267	\$ -	\$ 30,157	\$ 124,355
Investments	-	-	-	-	7,481	7,481
Total assets	<u>\$ 16,163</u>	<u>\$ 77,768</u>	<u>\$ 267</u>	<u>\$ -</u>	<u>\$ 37,638</u>	<u>\$ 131,836</u>
LIABILITIES						
Due to other funds	-	-	-	32,205	-	32,205
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,205</u>	<u>-</u>	<u>32,205</u>
FUND BALANCES						
Restricted for:						
Capital projects	16,163	77,768	-	-	37,638	131,569
Committed:						
Capital projects	-	-	267	-	-	267
Unassigned	-	-	-	(32,205)	-	(32,205)
Total fund balances (deficit)	<u>16,163</u>	<u>77,768</u>	<u>267</u>	<u>(32,205)</u>	<u>37,638</u>	<u>99,631</u>
Total liabilities and fund balances	<u>\$ 16,163</u>	<u>\$ 77,768</u>	<u>\$ 267</u>	<u>\$ -</u>	<u>\$ 37,638</u>	<u>\$ 131,836</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>\$750,000 Equipment Lease Purchase</u>	<u>\$765,000 General Obligation Bond</u>	<u>Administrative Building Renovation Project</u>	<u>Neighborhood Center Project</u>	<u>\$750,000 General Obligation Bond</u>	<u>Totals</u>
Revenues:						
Interest revenue	\$ -	\$ -	\$ -	\$ -	\$ 203	\$ 203
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203</u>	<u>203</u>
Expenditures:						
Capital outlay	-	21,591	-	79	223,768	245,438
Total expenditures	<u>-</u>	<u>21,591</u>	<u>-</u>	<u>79</u>	<u>223,768</u>	<u>245,438</u>
Net change in fund balances	-	(21,591)	-	(79)	(223,565)	(245,235)
Fund balances (deficit), beginning of year	<u>16,163</u>	<u>99,359</u>	<u>267</u>	<u>(32,126)</u>	<u>261,203</u>	<u>344,866</u>
Fund balances (deficit), end of year	<u>\$ 16,163</u>	<u>\$ 77,768</u>	<u>\$ 267</u>	<u>\$ (32,205)</u>	<u>\$ 37,638</u>	<u>\$ 99,631</u>

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - TRI-COUNTY SOLID WASTE AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,902,176
Payments to suppliers	(1,346,428)
Payments to employees	(401,161)
Net cash provided by operating activities	154,587

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(355,793)
Proceeds from the sale of capital assets	150,894
Net cash used in capital and related financing activities	(204,899)

Net change in cash and cash equivalents (50,312)

Cash and cash equivalents:

Beginning of year	1,705,480
End of year	\$ 1,655,168

Reconciliation of operating loss to net cash provided by operating activities:

Operating loss	\$ (96,857)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	255,120
Changes in assets and liabilities:	
Increase in accounts receivable	(23,473)
Decrease in accounts payable	(388)
Increase in accrued liabilities	1,768
Increase in compensated absences	18,417
Net cash provided by operating activities	\$ 154,587

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

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
Rural Fire				
ASSETS				
Cash, cash equivalents and investments	\$ 127,103	\$ 900,627	\$ (882,399)	\$ 145,331
Taxes receivable	52,282	666,588	(692,206)	26,664
Due from other governments	46,990	52,622	(48,044)	51,568
Total assets	<u>\$ 226,375</u>	<u>\$ 1,619,837</u>	<u>\$ (1,622,649)</u>	<u>\$ 223,563</u>
LIABILITIES				
Uncollected property taxes	\$ 52,282	\$ 666,588	\$ (692,206)	\$ 26,664
Due to others	174,093	953,249	(930,443)	196,899
Total liabilities	<u>\$ 226,375</u>	<u>\$ 1,619,837</u>	<u>\$ (1,622,649)</u>	<u>\$ 223,563</u>
Tax Collector Property Sold				
ASSETS				
Cash, cash equivalents and investments	\$ 197,258	\$ 88,232	\$ -	\$ 285,490
Total assets	<u>\$ 197,258</u>	<u>\$ 88,232</u>	<u>\$ -</u>	<u>\$ 285,490</u>
LIABILITIES				
Due to others	\$ 197,258	\$ 88,232	-	\$ 285,490
Total liabilities	<u>\$ 197,258</u>	<u>\$ 88,232</u>	<u>\$ -</u>	<u>\$ 285,490</u>
Judge of Probate Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 1,723	\$ -	\$ (25)	\$ 1,698
Total assets	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ 1,698</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 1,723	\$ -	\$ (25)	\$ 1,698
Total liabilities	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ (25)</u>	<u>\$ 1,698</u>
Hospital Operating Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 5,939	\$ 1,244	\$ -	\$ 7,183
Taxes receivable	39,601	-	(16,464)	23,137
Due from other governments	645	-	(645)	-
Total assets	<u>\$ 46,185</u>	<u>\$ 1,244</u>	<u>\$ (17,109)</u>	<u>\$ 30,320</u>
LIABILITIES				
Uncollected property taxes	\$ 39,601	\$ -	\$ (16,464)	\$ 23,137
Due to others	6,584	1,244	(645)	7,183
Total liabilities	<u>\$ 46,185</u>	<u>\$ 1,244</u>	<u>\$ (17,109)</u>	<u>\$ 30,320</u>

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
School Operating Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 730,828	\$ -	\$ (226,708)	\$ 504,120
Taxes receivable	1,001,319	-	(290,750)	710,569
Due from other governments	12,398	282,686	-	295,084
Total assets	<u>\$ 1,744,545</u>	<u>\$ 282,686</u>	<u>\$ (517,458)</u>	<u>\$ 1,509,773</u>
LIABILITIES				
Uncollected property taxes	\$ 1,001,319	\$ -	\$ (290,750)	\$ 710,569
Due to others	743,226	282,686	(226,708)	799,204
Total liabilities	<u>\$ 1,744,545</u>	<u>\$ 282,686</u>	<u>\$ (517,458)</u>	<u>\$ 1,509,773</u>
School Bond Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 3,094,957	\$ -	\$ (2,395,287)	\$ 699,670
Taxes receivable	146,352	-	(53,620)	92,732
Due from other governments	1,645	-	-	1,645
Total assets	<u>\$ 3,242,954</u>	<u>\$ -</u>	<u>\$ (2,448,907)</u>	<u>\$ 794,047</u>
LIABILITIES				
Uncollected property taxes	\$ 146,352	\$ -	\$ (53,620)	\$ 92,732
Due to others	3,096,602	-	(2,395,287)	701,315
Total liabilities	<u>\$ 3,242,954</u>	<u>\$ -</u>	<u>\$ (2,448,907)</u>	<u>\$ 794,047</u>
Municipal Tax Collection Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 4,904	\$ -	\$ (737)	\$ 4,167
Taxes receivable	2,826	-	(2,826)	-
Total assets	<u>\$ 7,730</u>	<u>\$ -</u>	<u>\$ (3,563)</u>	<u>\$ 4,167</u>
LIABILITIES				
Uncollected property taxes	\$ 2,826	\$ -	\$ (2,826)	\$ -
Due to others	4,904	-	(737)	4,167
Total liabilities	<u>\$ 7,730</u>	<u>\$ -</u>	<u>\$ (3,563)</u>	<u>\$ 4,167</u>
Forfeitures - Justice Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 594	\$ 78	\$ -	\$ 672
Total assets	<u>\$ 594</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 672</u>
LIABILITIES				
Due to others	\$ 594	\$ 78	\$ -	\$ 672
Total liabilities	<u>\$ 594</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 672</u>

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
Mill Creek Subdivision Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 3,026	\$ -	\$ -	\$ 3,026
Total assets	<u>\$ 3,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,026</u>
LIABILITIES				
Due to others	\$ 3,026	\$ -	\$ -	\$ 3,026
Total liabilities	<u>\$ 3,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,026</u>
Clerk of Court Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 287,785	\$ 40,988	\$ (7,579)	\$ 321,194
Total assets	<u>\$ 287,785</u>	<u>\$ 40,988</u>	<u>\$ (7,579)</u>	<u>\$ 321,194</u>
LIABILITIES				
Due to other governments	\$ 7,579	\$ -	(7,579)	\$ -
Due to others	280,206	40,988	-	321,194
Total liabilities	<u>\$ 287,785</u>	<u>\$ 40,988</u>	<u>\$ (7,579)</u>	<u>\$ 321,194</u>
Sheriff & Detention Center				
ASSETS				
Cash, cash equivalents and investments	\$ 16,781	\$ -	\$ (15,298)	\$ 1,483
Total assets	<u>\$ 16,781</u>	<u>\$ -</u>	<u>\$ (15,298)</u>	<u>\$ 1,483</u>
LIABILITIES				
Due to others	\$ 16,781	\$ -	\$ (15,298)	\$ 1,483
Total liabilities	<u>\$ 16,781</u>	<u>\$ -</u>	<u>\$ (15,298)</u>	<u>\$ 1,483</u>

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
Vehicle Registration Fee Fund				
ASSETS				
Cash, cash equivalents and investments	\$ 10,869	\$ 3,764	\$ (838)	\$ 13,795
Total assets	<u>\$ 10,869</u>	<u>\$ 3,764</u>	<u>\$ (838)</u>	<u>\$ 13,795</u>
LIABILITIES				
Due to others	\$ 10,869	\$ 3,764	\$ (838)	\$ 13,795
Total liabilities	<u>\$ 10,869</u>	<u>\$ 3,764</u>	<u>\$ (838)</u>	<u>\$ 13,795</u>
Magistrate Court Fund				
ASSETS				
Cash, cash equivalents and investments	\$ -	\$ 66,609	\$ (66,609)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 66,609</u>	<u>\$ (66,609)</u>	<u>\$ -</u>
LIABILITIES				
Due to others	\$ -	\$ 66,609	\$ (66,609)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 66,609</u>	<u>\$ (66,609)</u>	<u>\$ -</u>
Totals				
ASSETS				
Cash, cash equivalents and investments	\$ 4,481,767	\$ 1,101,542	\$ (3,595,480)	\$ 1,987,829
Taxes receivable	1,242,380	666,588	(1,055,866)	853,102
Due to other governments	61,678	335,308	(48,689)	348,297
Total assets	<u>\$ 5,785,825</u>	<u>\$ 2,103,438</u>	<u>\$ (4,700,035)</u>	<u>\$ 3,189,228</u>
LIABILITIES				
Uncollected taxes	\$ 1,242,380	\$ 666,588	\$ (1,055,866)	\$ 853,102
Due to others	4,543,445	1,436,850	(3,644,169)	2,336,126
Total liabilities	<u>\$ 5,785,825</u>	<u>\$ 2,103,438</u>	<u>\$ (4,700,035)</u>	<u>\$ 3,189,228</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

**SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2014**

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victim's Services</u>
Clerk of Court and Magistrate Court				
Fines and Fees	\$ 478,054	\$ 376,849	\$ 101,205	\$ -
Assessments	170,435	-	151,929	18,506
Surcharges	98,541	-	81,336	17,205
Totals	<u>\$ 747,030</u>	<u>\$ 376,849</u>	<u>\$ 334,470</u>	<u>\$ 35,711</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ 71,770
Amounts allocated for victims' assistance - 7/1/13 - 6/30/14				
Assessments and surcharges			35,711	
Miscellaneous			<u>10,432</u>	46,143
Amounts spent for victims' assistance in fiscal year 2014 from assessments and surcharges				
Salaries and benefits				(54,252)
General fund subsidy				<u>18,000</u>
Balance for victims' assistance - end of year				<u>\$ 81,661</u>

EDGEFIELD COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN

JUNE 30, 2014

Assessed Property Valuation		\$ 75,969,638
Debt Limit (8% of assessed value)		\$ 6,077,571
Debt Applicable to Debt Limit		
Total bonded debt	\$ 3,301,688	
Less debt service fund balance	<u>(3,153,248)</u>	
Total debt applicable to debt limit		<u>148,440</u>
Legal Debt Margin		\$ 5,929,131

COMPLIANCE SECTION

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

**County Council
of Edgefield County
Edgefield, South Carolina**

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Edgefield County, South Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Edgefield County, South Carolina's basic financial statements and have issued our report thereon dated November 26, 2014. Our report also includes a reference to other auditors who audited the financial statements of the Edgefield County Hospital, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Edgefield County Hospital were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2014-001 through 2014-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Edgefield County, South Carolina'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*.

Edgefield County, South Carolina's Responses to Findings

Edgefield County, South Carolina's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Edgefield County, South Carolina's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
November 26, 2014

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2014 due to the total amount expended being less than \$500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014-001. Management of Long-Term Liabilities

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred to acquire capital assets or to provide current financial resources for operational activities. Additionally, any debt bearing the name of the County should be reported in the County's financial statements. As a part of these processes, the County should review all related debt agreements and expenditure transactions to determine reporting in the proper period.

Condition: The County did not properly record various transactions related to long term debt for its component unit in the governmental activities government-wide statements and the Debt Service Fund as of June 30, 2013.

Context: We addressed this matter with County officials and they were able to determine the amount due from other governments, debt service principal expenditures, and debt service interest expenditures that should be recorded in the Debt Service Fund and government-wide financial statements as of June 30, 2013.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-001. Management of Long-Term Liabilities (Continued)

Effect: A prior period audit adjustment to increase due from other governments in the amount of \$1,768,398, increase debt service principal expenditures in the amount of \$47,617, and increase fund balance in the amount of \$1,816,015 was required to be reported within the Debt Service Fund as of June 30, 2013. This adjustment also resulted in an increase in due from component unit and an increase in net position in the government-wide financial statements of \$1,816,015. A prior period adjustment to increase long term debt and reduce net position in the amount of \$121,260 was required to be reported in the government-wide financial statements as of June 30, 2013.

Cause: The County did not review all debt agreements with its component unit and expenditure transactions after the prior year ended to determine reporting in the proper period.

Recommendation: We recommend the County establish procedures to review all related debt agreements and reconcile all expenditure transactions with the component unit after year-end to determine reporting in the proper period.

Views of Responsible Officials and Planned Corrective Action: We concur. We have established procedures to review all related debt agreements and reconcile all expenditure transactions with the component unit after year-end to determine reporting in the proper period.

2014-002. Management of Capital Assets

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner.

Condition: Prior to fiscal year 2013, the County depreciated certain governmental capital assets which did not require depreciation. In addition, the Tri County Solid Waste Authority included within its capital assets some items no longer owned by the Authority as of June 30, 2013.

Context: See above condition

Effect: A prior period audit adjustment was required to increase the beginning balance of governmental activities net position and capital assets, net of accumulated depreciation, in the amount of \$458,500. In addition, a prior period audit adjustment to decrease net position and capital assets in the amount of \$49,791 was required to be recorded within the Tri County Solid Waste Authority as of June 30, 2013.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2014-002. Management of Capital Assets (Continued)

Cause: The County took depreciation on assets that did not require depreciation. Additionally, the Authority did not properly remove assets that had been sold or otherwise disposed.

Recommendation: We recommend the County review all capital asset activity and capitalize and depreciate assets based on the County's capitalization policy. Additionally, we recommend the Authority review their capital asset listing regularly and ensure items are properly removed as they are sold or disposed.

Views of Responsible Officials and Planned Corrective Action: We concur. We will review all capital asset activity and properly record and depreciate assets based on our capitalization policy. Additionally, we will review the capital asset listing regularly to ensure items are properly removed as they are sold or disposed.

2014-003. Fund Accounting

Criteria: Governmental Accounting Standards define a fiduciary fund as a fund that reports assets held in a trustee or agency capacity for others and therefore cannot be used to support the governments' own programs. Additionally, Governmental Accounting Standards define a special revenue fund as a fund that is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Condition: The County improperly included the local option sales tax collections within a fiduciary fund in prior years. Additionally, the County improperly included the School Resource Officer Funds, SCCFG Fund, JAG CDV Grant Program Fund, and the Burglar Fund as special revenue funds in prior years.

Context: We addressed this matter with County officials and they were able to determine the amounts related to the Local Option Sales Tax Fund, School Resource Officer Funds, SCCFG Fund, JAG CDV Grant Program Fund, and the Burglar Fund that should be recorded in the General Fund as of June 30, 2013.

Effect: A prior period adjustment to increase fund balance and cash in the amount of \$1,698,296 was required to be recorded within the General Fund as of June 30, 2013.

Cause: Prior management of the County misclassified these funds as special revenue/fiduciary funds.

Recommendation: We recommend the County review their funds on an annual basis to ensure proper reporting in accordance with Governmental Accounting Standards.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to review all funds for proper reporting and classification.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

None reported.