

**EDGEFIELD COUNTY,
SOUTH CAROLINA**

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

EDGEFIELD COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2015

County Council

Genia Blackwell – Chairman
Dean Campbell – Vice Chairman
Albert Talbert
Rodney Ashcraft, Jr.
Betty Butler

Legislative Delegation

State Senator Shane Massey
State Representative William Clyburn
State Representative William M. Hixon
U.S. Senator Lindsey Graham
U.S. Senator Tim Scott
U.S. Representative Jeff Duncan

Interim County Administrator

Roger LeDuc

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EDGEFIELD COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

FINANCIAL SECTION

Page

| | |
|---|------------|
| Principal County Officials | i |
| Table of Contents..... | ii and iii |
| Independent Auditor's Report | 1 – 3 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 4 |
| Statement of Activities | 5 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 6 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 7 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 8 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 9 |
| Statement of Fiduciary Assets and Liabilities – Agency Funds | 10 |
| Notes to Financial Statements..... | 11 – 47 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund | 48 |
| Schedule of Expenditures – Budget (GAAP Basis) and Actual – General Fund..... | 49 – 53 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – EMS Fund..... | 54 |
| Schedules of County’s Proportionate Share of the Net Pension Liability..... | 55 |
| Schedules of County Contributions | 56 |

EDGEFIELD COUNTY, SOUTH CAROLINA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

| | Page |
|--|-------------|
| Combining and Individual Nonmajor Fund | |
| Financial Statements and Schedules: | |
| Nonmajor Governmental Funds: | |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 57 – 59 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | 60 – 62 |
| Component Unit – Tri-County Solid Waste Authority: | |
| Statement of Cash Flows – Component Unit – Tri-County Solid Waste Authority | 63 |
| | |
| Fiduciary Funds: | |
| Statement of Changes in Assets and Liabilities – Agency Funds | 64– 67 |
| | |
| Supplementary Information Required by the State of South Carolina: | |
| Summary Schedule of Court Fines, Assessments and Surcharges – Clerk of Court and Magistrate Court | 68 |
| Schedule of Legal Debt Margin | 69 |

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 <i>Government Auditing Standards</i> | 70 and 71 |
| Schedule of Findings and Responses..... | 72 – 76 |
| Schedule of Prior Year Findings | 77 |

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

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, 2015, 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 represents 72% of the assets, 49% of the net position and 88% 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, 2015, 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.

Emphasis of Matter

As discussed in Note 8 and 13, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund (on page 48), the Schedule of Expenditures – Budget (GAAP Basis) and Actual – General Fund (on pages 49 through 53), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – EMS Fund (on page 54), the Schedules of Proportionate Share of the Net Pension Liability (on page 55), and the Schedules of Contributions (on page 56) 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.

Management has not presented the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements.

Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 the 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, the 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, the 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 December 21, 2015, 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
December 21, 2015

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EDGEFIELD COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2015

| | <u>Primary Government</u> | <u>Component Units</u> | |
|--|------------------------------------|---|--|
| | <u>Governmental Activities</u> | <u>Tri-County Solid Waste Authority</u> | <u>Edgefield County Hospital</u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,263,143 | \$ 1,240,175 | \$ 932,614 |
| Investments | 1,650,749 | 283,749 | - |
| Receivables: | | | |
| Taxes | 378,853 | - | - |
| Accounts | 362,192 | 74,660 | 3,554,937 |
| Other | 3,500 | - | - |
| Due from other governments | 2,897,251 | 131,440 | - |
| Due from primary government | - | 116,560 | 10,015 |
| Inventory | - | - | 532,711 |
| Restricted cash and investments | - | - | 701,287 |
| Capital assets: | | | |
| Nondepreciable | 1,093,643 | 26,445 | 126,243 |
| Depreciable, net | 13,441,128 | 1,689,818 | 3,226,697 |
| Total assets | <u>27,090,459</u> | <u>3,562,847</u> | <u>9,084,504</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension - South Carolina Retirement System | 599,091 | 24,962 | - |
| Pension - South Carolina Police Officers Retirement System | 513,163 | - | - |
| Total deferred outflows of resources | <u>1,112,254</u> | <u>24,962</u> | <u>-</u> |
| LIABILITIES | | | |
| Accounts payable | 336,854 | - | 3,584,837 |
| Accrued liabilities | 122,608 | 3,797 | 402,505 |
| Unearned revenues | - | - | 49,508 |
| Due to other governments | - | - | 1,756,377 |
| Noncurrent liabilities: | | | |
| Due within one year | 505,262 | 9,907 | 63,478 |
| Due in more than one year | 2,890,622 | 11,435 | 343,788 |
| Landfill postclosure care costs due within one year | - | 10,200 | - |
| Landfill postclosure care costs due in more than one year | - | 237,800 | - |
| Net pension liability: | | | |
| South Carolina Retirement System | 6,930,033 | 288,752 | - |
| South Carolina Police Officers Retirement System | 4,463,507 | - | - |
| Total liabilities | <u>15,248,886</u> | <u>561,891</u> | <u>6,200,493</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension - South Carolina Retirement System | 584,252 | 24,345 | - |
| Pension - South Carolina Police Officers Retirement System | 516,460 | - | - |
| Total deferred inflows of resources | <u>1,100,712</u> | <u>24,345</u> | <u>-</u> |
| NET POSITION | | | |
| Net investment in capital assets | 11,610,926 | 1,716,263 | 1,189,297 |
| Restricted for debt service | 2,729,134 | - | 701,287 |
| Restricted for capital projects | 59,756 | - | - |
| Restricted for other purposes | 4,680,499 | - | - |
| Unrestricted | (7,227,200) | 1,285,310 | 993,427 |
| Total net position | <u>\$ 11,853,115</u> | <u>\$ 3,001,573</u> | <u>\$ 2,884,011</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, 2015

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|--|------------------|-------------------------|--|--|--|--|------------------------------|
| | Expenses | 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 | \$ 1,224,157 | \$ - | \$ - | \$ - | \$ (1,224,157) | \$ - | \$ - |
| Staff agencies | 1,982,382 | 4,429 | 981,102 | - | (996,851) | - | - |
| Finance agencies | 605,100 | - | - | - | (605,100) | - | - |
| Public safety | 5,863,036 | 593,634 | 1,431,091 | - | (3,838,311) | - | - |
| Public works | 2,871,967 | 902,424 | 1,161,224 | - | (808,319) | - | - |
| Health and social services | 1,427,688 | 800,814 | - | - | (626,874) | - | - |
| Building maintenance | 323,381 | - | - | - | (323,381) | - | - |
| Nondepartmental | 1,634,946 | - | - | - | (1,634,946) | - | - |
| Interest on long-term debt | 121,781 | - | - | - | (121,781) | - | - |
| Total governmental activities | 16,054,438 | 2,301,301 | 3,573,417 | - | (10,179,720) | - | - |
| Component units: | | | | | | | |
| Tri-County Solid Waste Authority | 2,184,933 | 1,919,393 | - | - | - | (265,540) | - |
| Edgefield County Hospital | 13,001,603 | 11,344,317 | 274,899 | - | - | - | (1,382,387) |
| Total governmental activities | \$ 15,186,536 | \$ 13,263,710 | \$ 274,899 | \$ - | - | (265,540) | (1,382,387) |
| General revenues: | | | | | | | |
| Property taxes levied for: | | | | | | | |
| General purposes | | | | | 5,297,133 | - | 514,674 |
| Debt service | | | | | 1,346,551 | - | - |
| Special revenue projects | | | | | 655,422 | - | - |
| Other taxes | | | | | 1,057,860 | - | - |
| Grants and contributions not restricted for a specific purpose | | | | | 1,003,061 | - | - |
| Unrestricted investment earnings | | | | | 115,114 | 4,685 | - |
| Gain on sale of capital assets | | | | | - | 7,007 | - |
| Miscellaneous | | | | | 445,146 | 22,357 | 1,543,392 |
| Transfers | | | | | - | - | - |
| Total general revenues | | | | | 9,920,287 | 34,049 | 2,058,066 |
| Change in net position | | | | | (259,433) | (231,491) | 675,679 |
| Net position, beginning of year, as restated | | | | | 12,112,548 | 3,233,064 | 2,208,332 |
| Net position, end of year | | | | | \$ 11,853,115 | \$ 3,001,573 | \$ 2,884,011 |

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

EDGEFIELD COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

| | General | Capital Projects | EMS | Debt Service | Other Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|-------------------|---------------------|--|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 3,771,509 | \$ 1,502,535 | \$ 333,993 | \$ 820,243 | \$ 834,863 | \$ 7,263,143 |
| Investments | 852,444 | 343,716 | 76,417 | 187,670 | 190,502 | 1,650,749 |
| Receivables, net: | | | | | | |
| Taxes | 308,081 | - | 42,805 | 18,351 | 9,616 | 378,853 |
| Accounts | - | - | 180,726 | - | 181,466 | 362,192 |
| Other | 3,500 | - | - | - | - | 3,500 |
| Due from other governments | 1,103,525 | 75,134 | - | 1,718,592 | - | 2,897,251 |
| Due from other funds | 43,329 | - | - | - | - | 43,329 |
| Total assets | <u>\$ 6,082,388</u> | <u>\$ 1,921,385</u> | <u>\$ 633,941</u> | <u>\$ 2,744,856</u> | <u>\$ 1,216,447</u> | <u>\$ 12,599,017</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 329,406 | \$ - | \$ - | \$ - | \$ 7,448 | \$ 336,854 |
| Accrued liabilities | 75,422 | - | 14,921 | - | 18,727 | 109,070 |
| Due to other funds | - | - | - | - | 43,329 | 43,329 |
| Total liabilities | <u>404,828</u> | <u>-</u> | <u>14,921</u> | <u>-</u> | <u>69,504</u> | <u>489,253</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 269,228 | - | 37,410 | 15,722 | 8,408 | 330,768 |
| Unavailable revenue - emergency medical services | - | - | 97,791 | - | - | 97,791 |
| Unavailable revenue - user fees | - | - | - | - | 91,840 | 91,840 |
| Total deferred inflows of resources | <u>269,228</u> | <u>-</u> | <u>135,201</u> | <u>15,722</u> | <u>100,248</u> | <u>520,399</u> |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Future property tax reductions | 1,239,150 | - | - | - | - | 1,239,150 |
| Public works | - | 1,861,362 | - | - | 461,944 | 2,323,306 |
| Health and social services | - | - | 483,819 | - | 144,005 | 627,824 |
| Public safety | - | - | - | - | 479,904 | 479,904 |
| Industrial development | - | - | - | - | 10,315 | 10,315 |
| Capital projects | - | 59,756 | - | - | - | 59,756 |
| Debt service | - | - | - | 2,729,134 | - | 2,729,134 |
| Committed: | | | | | | |
| Capital projects | - | 267 | - | - | - | 267 |
| Subsequent year's budget | 333,825 | - | - | - | - | 333,825 |
| Unassigned | 3,835,357 | - | - | - | (49,473) | 3,785,884 |
| Total fund balances | <u>5,408,332</u> | <u>1,921,385</u> | <u>483,819</u> | <u>2,729,134</u> | <u>1,046,695</u> | <u>11,589,365</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 6,082,388</u> | <u>\$ 1,921,385</u> | <u>\$ 633,941</u> | <u>\$ 2,744,856</u> | <u>\$ 1,216,447</u> | <u>\$ 12,599,017</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, 2015

| | | |
|---|---------------------|-----------------------------|
| Total fund balances for governmental funds: | | \$ 11,589,365 |
| 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. | | 14,534,771 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | 520,399 |
| 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 | | |
| General obligation bonds | \$ (2,923,845) | |
| Compensated absences payable | (355,479) | |
| Net pension liability | (11,381,998) | |
| Due to other governments | (116,560) | |
| Total long-term liabilities | <u>(14,777,882)</u> | (14,777,882) |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | <u>(13,538)</u> |
| Net position of governmental activities | | <u><u>\$ 11,853,115</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, 2015

| | <u>General</u> | <u>Capital Projects</u> | <u>EMS</u> | <u>Debt Service</u> | <u>Other Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-----------------------------|-------------------|-------------------------|--|---|
| REVENUES | | | | | | |
| Taxes | \$ 5,185,311 | \$ - | \$ 803,700 | \$ 331,199 | \$ 651,947 | \$ 6,972,157 |
| Sales taxes | 1,057,860 | - | - | - | - | 1,057,860 |
| Licenses, permits and fees | 569,220 | - | - | - | - | 569,220 |
| Intergovernmental | 1,350,124 | 1,080,246 | - | - | 455,404 | 2,885,774 |
| Charges for services | 191,429 | - | 775,642 | - | 1,087,677 | 2,054,748 |
| Fines and forfeitures | 361,945 | - | - | - | - | 361,945 |
| Local funds | - | - | - | - | 969,180 | 969,180 |
| Interest revenue | 27,248 | 4,889 | 808 | 80,001 | 2,168 | 115,114 |
| Other revenues | 393,207 | - | 25,172 | 51,939 | 11,740 | 482,058 |
| Total revenues | <u>9,136,344</u> | <u>1,085,135</u> | <u>1,605,322</u> | <u>463,139</u> | <u>3,178,116</u> | <u>15,468,056</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 466,286 | 12,275 | - | - | - | 478,561 |
| Staff agencies | 1,970,435 | - | - | - | - | 1,970,435 |
| Finance agencies | 605,100 | - | - | - | - | 605,100 |
| Public safety | 4,023,619 | - | - | - | 1,611,433 | 5,635,052 |
| Public works | 109,108 | 1,020,807 | - | - | 1,300,121 | 2,430,036 |
| Health and social services | 90,919 | - | 1,337,104 | - | 257,219 | 1,685,242 |
| Building maintenance | 323,381 | - | - | - | - | 323,381 |
| Nondepartmental | 1,538,230 | - | - | - | 96,716 | 1,634,946 |
| Capital outlay | 129,383 | 454,883 | - | - | 1,158 | 585,424 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | 377,843 | - | 377,843 |
| Interest and fiscal charges | - | - | - | 114,225 | - | 114,225 |
| Total expenditures | <u>9,256,461</u> | <u>1,487,965</u> | <u>1,337,104</u> | <u>492,068</u> | <u>3,266,647</u> | <u>15,840,245</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(120,117)</u> | <u>(402,830)</u> | <u>268,218</u> | <u>(28,929)</u> | <u>(88,531)</u> | <u>(372,189)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 183,249 | 427,476 | - | - | 184,601 | 795,326 |
| Transfers out | (216,892) | - | (15,980) | (395,185) | (167,269) | (795,326) |
| Total other financing sources (uses) | <u>(33,643)</u> | <u>427,476</u> | <u>(15,980)</u> | <u>(395,185)</u> | <u>17,332</u> | <u>-</u> |
| Net change in fund balances | <u>(153,760)</u> | <u>24,646</u> | <u>252,238</u> | <u>(424,114)</u> | <u>(71,199)</u> | <u>(372,189)</u> |
| Fund balances, beginning of year | <u>5,562,092</u> | <u>1,896,739</u> | <u>231,581</u> | <u>3,153,248</u> | <u>1,117,894</u> | <u>11,961,554</u> |
| Fund balances, end of year | <u>\$ 5,408,332</u> | <u>\$ 1,921,385</u> | <u>\$ 483,819</u> | <u>\$ 2,729,134</u> | <u>\$ 1,046,695</u> | <u>\$ 11,589,365</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, 2015

Net change in fund balances - total governmental funds \$ (372,189)

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 | \$ 1,033,896 | |
| Depreciation expense | <u>(1,488,040)</u> | (454,144) |

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (58,070)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 326,949

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 | \$ <u>382,543</u> | 382,543 |
|--|-------------------|---------|

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 | \$ (446) | |
| Pension liability | (76,520) | |
| Accrued interest on long-term debt | <u>(7,556)</u> | <u>(84,522)</u> |

| | | |
|---|----------------------------|--|
| Change in net position of governmental activities | \$ <u><u>(259,433)</u></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, 2015

| | Agency Funds |
|----------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,645,324 |
| Investments | 305,756 |
| Taxes receivable | 1,037,489 |
| Due from other governments | 380,143 |
| Total assets | \$ 3,368,712 |
| LIABILITIES | |
| Uncollected taxes | \$ 1,037,489 |
| Due to others | 2,331,223 |
| Total liabilities | \$ 3,368,712 |

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

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NOTES TO FINANCIAL STATEMENTS

EDGEFIELD COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 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 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 **Capital Projects Fund** is used to account for the resources received that are restricted for the acquisition of capital assets or construction of major capital facilities.

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 expenditures 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 **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 collected on behalf of other governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund financial statements (continued)

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 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, fees 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 2015 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 re-appropriated and honored during the subsequent year.

NOTES TO 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, 2015.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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.

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 |

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item relates to the County's Retirement Plan and is reported in the government-wide statement of net position. Experience gains or losses result from periodic studies by the County's actuary, which adjust the net position liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, any contributions made by the County to the pension plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

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 types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred inflows/outflows of resources (continued)

Accordingly, the items, *unavailable revenue*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, emergency medical services, and user fees. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the County's Retirement Plan and is reported in the government-wide statement of net position. The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources.

Interfund transactions

Transactions among County 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Long-term obligations (continued)

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.

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 by being 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund equity (continued)

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.

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 improvement 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.

Reclassifications

Certain reclassifications have been made to consolidate certain funds of the County for financial presentation. These reclassifications had no effect on previously reported net position or increases in net position.

NOTES TO FINANCIAL STATEMENTS

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.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2015, expenditures exceeded appropriations as follows:

| | <u>Excess</u> |
|---|---------------|
| General Fund: | |
| Staff agencies - clerk of court | \$ 18,723 |
| Staff agencies - board of registration | 46,027 |
| Staff agencies - tri-county public defender | 9 |
| Public safety - sheriff's office | 39,445 |
| Public works - maintenance garage | 4,358 |
| Building maintenance - courthouse building | 2,770 |
| Building maintenance - county council chambers | 240 |
| Building maintenance - department of social services building | 1,859 |
| Building maintenance - magistrate building | 575 |
| Building maintenance - neighborhood center | 1,070 |
| Building maintenance - county jail building | 12,933 |
| Nondepartmental - miscellaneous | 13,413 |
| Nondepartmental - probation office | 57 |

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2015, are summarized below:

As reported in the Statement of Net Position:

| | |
|---------------------------|--------------|
| Primary government | |
| Cash and cash equivalents | \$ 7,263,143 |
| Investments | 1,650,749 |

As reported in the Statement of Fiduciary

Assets and Liabilities:

| | |
|---|----------------------|
| Agency Fund - cash and cash equivalents | 1,645,324 |
| Agency Fund - investments | 305,756 |
| | <u>\$ 10,864,972</u> |

| | |
|--|----------------------|
| Cash deposited with financial institutions | \$ 141,419 |
| SC State Investment Pool | 8,483,299 |
| Certificates of deposit | 2,240,254 |
| | <u>\$ 10,864,972</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, 2015, the carrying amount of the County's deposits was \$10,864,972 and the bank balance was \$11,146,810. 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, 2015, the County has the following investments:

| Investment Type | Fair Value | Investment Maturities (in years) | |
|--------------------------|----------------------|----------------------------------|---------------------|
| | | Less than 1 | 1-5 |
| SC State Investment Pool | \$ 8,483,299 | \$ 8,483,299 | \$ - |
| Certificates of deposit | 2,240,254 | 746,627 | 1,493,627 |
| | <u>\$ 10,723,553</u> | <u>\$ 9,229,926</u> | <u>\$ 1,493,627</u> |

NOTES TO 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 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, 2015, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Capital Projects | EMS |
|----------------------------|--------------|---------------------|------------|
| Taxes receivable | \$ 314,369 | \$ - | \$ 43,679 |
| Accounts receivable | - | - | 180,726 |
| Other receivables | 3,500 | - | - |
| Due from other governments | 1,103,525 | 75,134 | - |
| Less: Allowance | (6,288) | - | (874) |
| Net receivables | \$ 1,415,106 | \$ 75,134 | \$ 223,531 |

| | Debt Service | Nonmajor Governmental | Total |
|----------------------------|-----------------|--------------------------|--------------|
| Taxes receivable | \$ 18,351 | \$ 9,812 | \$ 386,211 |
| Accounts receivable | - | 181,466 | 362,192 |
| Other receivables | - | - | 3,500 |
| Due from other governments | 1,718,592 | - | 2,897,251 |
| Less: Allowance | - | (196) | (7,358) |
| Net receivables | \$ 1,736,943 | \$ 191,082 | \$ 3,641,796 |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2015 was as follows:

| Governmental Activities | Balance June 30, 2014 | Additions | Deletions | Transfers | Balance June 30, 2015 |
|---|--------------------------|---------------------|--------------------|-----------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 1,093,643 | \$ - | \$ - | \$ - | \$ 1,093,643 |
| Construction in progress | 77,122 | - | - | (77,122) | - |
| Total capital assets not being depreciated | <u>1,170,765</u> | <u>-</u> | <u>-</u> | <u>(77,122)</u> | <u>1,093,643</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 7,868,482 | 476,342 | - | - | 8,344,824 |
| Infrastructure | 17,433,506 | 434,300 | - | 77,122 | 17,944,928 |
| Furniture, fixtures and equipment | 6,851,440 | 123,254 | (90,734) | - | 6,883,960 |
| Total capital assets being depreciated | <u>32,153,428</u> | <u>1,033,896</u> | <u>(90,734)</u> | <u>77,122</u> | <u>33,173,712</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (3,826,896) | (208,448) | 32,664 | - | (4,002,680) |
| Infrastructure | (8,690,487) | (782,019) | - | - | (9,472,506) |
| Furniture, fixtures and equipment | (5,759,825) | (497,573) | - | - | (6,257,398) |
| Total accumulated depreciation | <u>(18,277,208)</u> | <u>(1,488,040)</u> | <u>32,664</u> | <u>-</u> | <u>(19,732,584)</u> |
| Total capital assets being depreciated, net | <u>13,876,220</u> | <u>(454,144)</u> | <u>(58,070)</u> | <u>77,122</u> | <u>13,441,128</u> |
| Governmental activities capital assets, net | <u>\$ 15,046,985</u> | <u>\$ (454,144)</u> | <u>\$ (58,070)</u> | <u>\$ -</u> | <u>\$ 14,534,771</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

| | |
|--|----------------------------|
| General government | \$ 158,313 |
| Public safety | 324,309 |
| Public works | 873,976 |
| Health and social services | <u>131,442</u> |
| Total Governmental Activities Depreciation Expense | <u><u>\$ 1,488,040</u></u> |

B. Component Units

Capital asset activity for the Tri-County Solid Waste Authority for the year ended June 30, 2015 was as follows:

| | Balance June 30, 2014 | Additions | Deletions & Reclasses | Balance June 30, 2015 |
|---|----------------------------|---------------------------|--------------------------|----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 26,445 | \$ - | \$ - | \$ 26,445 |
| Total capital assets not being depreciated | <u>26,445</u> | <u>-</u> | <u>-</u> | <u>26,445</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 977,288 | 26,025 | - | 1,003,313 |
| Furniture, fixtures and equipment | 2,474,682 | 236,770 | - | 2,711,452 |
| Total capital assets being depreciated | <u>3,451,970</u> | <u>262,795</u> | <u>-</u> | <u>3,714,765</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (281,859) | (42,715) | - | (324,574) |
| Furniture, fixtures and equipment | (1,406,133) | (294,240) | - | (1,700,373) |
| Total accumulated depreciation | <u>(1,687,992)</u> | <u>(336,955)</u> | <u>-</u> | <u>(2,024,947)</u> |
| Total capital assets being depreciated, net | <u>1,763,978</u> | <u>(74,160)</u> | <u>-</u> | <u>1,689,818</u> |
| Capital assets, net | <u><u>\$ 1,790,423</u></u> | <u><u>\$ (74,160)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,716,263</u></u> |

NOTES TO 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, 2014 was as follows:

| | Balance September 30, 2013 | Additions | Deletions & Reclasses | Balance September 30, 2014 |
|--|----------------------------------|-------------------|--------------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 126,243 | \$ - | \$ - | \$ 126,243 |
| Construction in progress | 306,103 | 1,082,194 | (1,388,297) | - |
| Total capital assets not being depreciated | <u>432,346</u> | <u>1,082,194</u> | <u>(1,388,297)</u> | <u>126,243</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 187,002 | - | - | 187,002 |
| Buildings | 3,348,781 | 11,044 | 31,401 | 3,391,226 |
| Equipment | 7,022,432 | 151,531 | 1,356,896 | 8,530,859 |
| Total capital assets being depreciated | <u>10,558,215</u> | <u>162,575</u> | <u>1,388,297</u> | <u>12,109,087</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (138,246) | (15,377) | - | (153,623) |
| Buildings | (2,026,759) | (102,601) | - | (2,129,360) |
| Equipment | (6,356,291) | (243,116) | - | (6,599,407) |
| Total accumulated depreciation | <u>(8,521,296)</u> | <u>(361,094)</u> | <u>-</u> | <u>(8,882,390)</u> |
| Total capital assets being depreciated, net | <u>2,036,919</u> | <u>(198,519)</u> | <u>1,388,297</u> | <u>3,226,697</u> |
| Capital assets, net | <u>\$ 2,469,265</u> | <u>\$ 883,675</u> | <u>\$ -</u> | <u>\$ 3,352,940</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A. Primary Government

| Governmental Activities | Balance June 30, 2014 | Additions | Reductions | Balance June 30, 2015 | Due Within One Year |
|--------------------------------|--------------------------|---------------------|-----------------------|--------------------------|------------------------|
| General obligation bonds | \$ 3,301,688 | \$ - | \$ (377,843) | \$ 2,923,845 | \$ 334,072 |
| Due to other governments | 121,260 | - | (4,700) | 116,560 | 4,795 |
| Annual Leave | 355,033 | 215,736 | (215,290) | 355,479 | 166,395 |
| Net pension liability | 12,052,941 | 1,435,395 | (2,094,796) | 11,393,540 | - |
| | <u>\$ 15,830,922</u> | <u>\$ 1,651,131</u> | <u>\$ (2,692,629)</u> | <u>\$ 14,789,424</u> | <u>\$ 505,262</u> |

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, 2015 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 | \$ 322,071 |
| 1996B GO Hospital Bond | 4.875% | 30 years | 2026 | 163,000 | 86,223 |
| 2005 GO Hospital Bond | 4.25% | 40 years | 2045 | 1,500,000 | 1,310,298 |
| 2011 GO Bond | 2.01% | 5 years | 2015 | 750,000 | 191,887 |
| 2013 GO Bond | 2.60% | 11 years | 2025 | 1,200,000 | 1,013,366 |
| | | | | | <u>\$ 2,923,845</u> |

NOTES TO 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, 2015, including interest payments, are as follows:

| Year Ending June 30, | General Obligation Bonds | | |
|-------------------------|--------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 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 | 162,439 | 80,594 | 243,033 |
| 2021 - 2025 | 899,578 | 315,587 | 1,215,165 |
| 2026 - 2030 | 230,999 | 200,890 | 431,889 |
| 2031 - 2035 | 235,682 | 154,918 | 390,600 |
| 2036 - 2040 | 291,374 | 99,226 | 390,600 |
| 2041 - 2045 | 313,685 | 30,850 | 344,535 |
| | <u>\$ 2,923,845</u> | <u>\$ 1,259,853</u> | <u>\$ 4,183,698</u> |

Debt service funds of \$2,729,134 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 \$76,957,570, the legal debt limit is \$6,156,606, and the legal debt margin is \$7,680,487 as of June 30, 2015.

NOTES TO 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, 2015 were as follows:

| Tri-County Solid Waste Authority | Balance | | | Balance | |
|----------------------------------|-------------------|------------------|--------------------|-------------------|---------------------|
| | June 30, 2014 | Additions | Reductions | June 30, 2015 | Due Within One Year |
| Landfill postclosure care cost | \$ 258,000 | \$ - | \$ (10,000) | \$ 248,000 | \$ 10,200 |
| Annual Leave | 18,417 | 12,919 | (9,994) | 21,342 | 9,907 |
| Net pension liability | 300,823 | 30,654 | (42,725) | 288,752 | - |
| | <u>\$ 577,240</u> | <u>\$ 43,573</u> | <u>\$ (62,719)</u> | <u>\$ 558,094</u> | <u>\$ 20,107</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 \$248,000 over the remaining 20-year period. These costs are based on what it would cost to perform all postclosure care in 2015, 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, 2014 were as follows:

| Edgefield County Hospital | Balance | | | Balance | |
|---------------------------|--------------------|-------------------|--------------------|--------------------|---------------------|
| | September 30, 2013 | Additions | Reductions | September 30, 2014 | Due Within One Year |
| Note payable | \$ 138,338 | \$ - | \$ (18,498) | \$ 119,840 | 24,804 |
| Revolving loan | - | 300,000 | (12,574) | 287,426 | 38,674 |
| | <u>\$ 138,338</u> | <u>\$ 300,000</u> | <u>\$ (31,072)</u> | <u>\$ 407,266</u> | <u>\$ 63,478</u> |

The note payable includes an amount due under an equipment financing agreement, collateralized by the related equipment with maturity in January 2015 at an interest rate of 3.25%. Subsequent to September 30, 2014, the note payable was refinanced at the same interest rate extending the maturity through January 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

B. Component Unit (Continued)

Edgefield County Hospital (Continued)

The revolving loan is payable in monthly installments at an interest rate of 3.75% with a maturity in June 2021. The loan is collateralized by EMR equipment.

Scheduled principal and interest payments on long-term debt and for years subsequent to September 30, 2014 are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|------------------------------|-------------------|------------------|-------------------|
| 2015 | \$ 63,478 | \$ 13,371 | \$ 76,849 |
| 2016 | 135,185 | 9,737 | 144,922 |
| 2017 | 41,680 | 7,111 | 48,791 |
| 2018 | 43,271 | 5,521 | 48,792 |
| 2019 | 44,922 | 3,870 | 48,792 |
| 2020 - 2021 | 78,730 | 2,609 | 81,339 |
| | <u>\$ 407,266</u> | <u>\$ 42,219</u> | <u>\$ 449,485</u> |

NOTE 7. OPERATING LEASES

The County leases land under operating leases. Lease expenditures for the year ended June 30, 2015, 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 |
|--------------------------------|------------------------------------|
| 2016 | \$ 8,000 |
| 2017 | 8,000 |
| 2018 | 8,000 |
| 2019 | 8,000 |
| 2020 | 8,000 |
| 2021-2025 | 40,000 |
| 2026-2030 | 40,000 |
| 2031-2032 | 16,000 |
| | <u>\$ 136,000</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS

A. Primary Government

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description:

The County contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1945 pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. The Tri-County Solid Waste Authority, a discretely presented component unit of the County, also participates in the SCRS plan. The County employs the Authority's personnel, and thus contributions made on their behalf are done so as a part of the County's contributions. In addition to the SCRS pension plan, the County also contributes to the South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1962 pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is described below.

South Carolina Retirement System. Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Membership (Continued):

South Carolina Retirement System (Continued). This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

South Carolina Police Officers Retirement System. To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

South Carolina Retirement System. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Benefits (Continued):

South Carolina Retirement System (Continued). The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

South Carolina Police Officers Retirement System. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2015 are as follows:

South Carolina Retirement System

| | |
|----------------------|--------------------------------|
| Employee class two | 8.00% of earnable compensation |
| Employee class three | 8.00% of earnable compensation |

South Carolina Police Officers Retirement System

| | |
|----------------------|--------------------------------|
| Employee class one | \$21 per month |
| Employee class two | 8.41% of earnable compensation |
| Employee class three | 8.41% of earnable compensation |

Required employer contribution rates for the year ended June 30, 2015 are as follows:

South Carolina Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employer class two | 10.75% of earnable compensation |
| Employer class three | 10.75% of earnable compensation |
| Employer incidental death benefit | 0.15% of earnable compensation |

South Carolina Police Officers Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employer class one | 7.80% of earnable compensation |
| Employer class two | 13.01% of earnable compensation |
| Employer class three | 13.01% of earnable compensation |
| Employer incidental death benefit | 0.20% of earnable compensation |
| Employer accidental death program | 0.20% of earnable compensation |

Net Pension Liability:

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the systems' consulting actuary, Gabriel, Roeder, Smith and Company.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2014, the County's net pension liability amounts for SCRS and PORS are as follows:

| System | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability | Plan Fiduciary Net Position as a percentage of the Total Pension Liability |
|---------------|--------------------------------|------------------------------------|---|---|
| SCRS | \$ 18,010,688 | \$ 10,791,903 | \$ 7,218,785 | 59.9% |
| PORS | \$ 13,754,753 | \$ 9,291,246 | \$ 4,463,507 | 67.5% |

As of June 30, 2014 the change in the County's net pension liability for the SCRS Plan is calculated as follows:

| | |
|--|----------------------------|
| Total pension liability | |
| Service cost | \$ 309,864 |
| Interest | 1,266,677 |
| Difference between actual and expected experience | 267,819 |
| Benefit payments | <u>(1,078,015)</u> |
| Net change in total pension liability | 766,345 |
| Total pension liability - beginning June 30, 2013 | <u>17,244,343</u> |
| Total pension liability - ending June 30, 2014 | <u>18,010,688</u> |
| Plan fiduciary net position | |
| Contributions - employer | 403,692 |
| Contributions - member | 273,641 |
| Refunds of contributions to members | (37,841) |
| Retirement benefits | (1,032,107) |
| Death benefits | (8,067) |
| Net investment income | 1,474,779 |
| Administrative expense | (4,934) |
| Net transfers to affiliated systems | <u>(1,036)</u> |
| Net change in Plan fiduciary net position | 1,068,127 |
| Plan fiduciary net position - beginning June 30, 2013 | <u>9,723,776</u> |
| Plan fiduciary net position - ending June 30, 2014 | <u>10,791,903</u> |
| Net pension liability | <u><u>\$ 7,218,785</u></u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2014 the change in the County's net pension liability for the PORS Plan is calculated as follows:

| | | |
|--|--------|---------------|
| Total pension liability | | |
| Service cost | \$ | 348,806 |
| Interest | | 974,451 |
| Difference between actual and expected experience | | 150,000 |
| Benefit payments | | (773,553) |
| Net change in total pension liability | | 699,704 |
| Total pension liability - beginning June 30, 2013 | | 13,055,049 |
| Total pension liability - ending June 30, 2014 | | 13,754,753 |
| Plan fiduciary net position | | |
| Contributions - employer | | 362,800 |
| Contributions - member | | 223,834 |
| Refunds of contributions to members | | (37,732) |
| Retirement benefits | | (726,480) |
| Death benefits | | (9,342) |
| Net investment income | | 1,255,245 |
| Administrative expense | | (4,244) |
| Net transfers to affiliated systems | | 5,251 |
| Net change in Plan fiduciary net position | | 1,069,333 |
| Plan fiduciary net position - beginning June 30, 2013 | | 8,221,914 |
| Plan fiduciary net position - ending June 30, 2014 | | 9,291,246 |
| Net pension liability | \$ | 4,463,507 |

Actuarial Assumptions and Methods:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for SCRS and PORS.

| | <u>SCRS</u> | <u>PORS</u> |
|----------------------------|-----------------------|-----------------------|
| | Entry Age | Entry Age |
| Actuarial cost method | | |
| Actuarial assumptions: | | |
| Investment rate of return | 7.5% | 7.5% |
| Projected salary increases | levels off at 3.5% | levels off at 4.0% |
| Includes inflation at | 2.75% | 2.75% |
| Benefit adjustments | lesser of 1% or \$500 | lesser of 1% or \$500 |

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Expected Arithmetic Real Rate of Return</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|----------------------------------|------------------------------------|--|---|
| Short-Term | 5.0% | | |
| Cash | 2.0% | 0.3 | 0.01 |
| Short duration | 3.0% | 0.6 | 0.02 |
| Domestic Fixed Income | 13.0% | | |
| Core fixed income | 7.0% | 1.1 | 0.08 |
| High yield | 2.0% | 3.5 | 0.07 |
| Bank loans | 4.0% | 2.8 | 0.11 |
| Global Fixed Income | 9.0% | | |
| Global fixed income | 3.0% | 0.8 | 0.02 |
| Emerging markets debt | 6.0% | 4.1 | 0.25 |
| Global Public Equity | 31.0% | 7.8 | 2.42 |
| Global Tactical Asset Allocation | 10.0% | 5.1 | 0.51 |
| Alternatives | 32.0% | | |
| Hedge funds (low beta) | 8.0% | 4 | 0.32 |
| Private debt | 7.0% | 10.2 | 0.71 |
| Private equity | 9.0% | 10.2 | 0.92 |
| Real estate (broad market) | 5.0% | 5.9 | 0.29 |
| Commodities | 3.0% | 5.1 | 0.15 |
| | <u>100.0%</u> | | |
| Total expected real return | | | 5.88 |
| Inflation for actuarial purposes | | | 2.75 |
| Total expected nominal return | | | <u>8.63</u> |

Discount Rate:

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Discount Rate (Continued):

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

| Sensitivity of the Net Position Liability to Changes in the Discount Rate | | | | |
|---|----|------------------------|-------------------------------------|------------------------|
| | | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
| County's portion - SCRS | \$ | 9,341,553 | \$ 7,218,785 | \$ 5,447,785 |
| County's portion - PORS | \$ | 6,237,608 | \$ 4,463,507 | \$ 2,995,550 |

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, the County recognized pension expense of \$505,765 for the SCRS plan and \$387,761 for the PORS plan.

At June 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

| SCRS | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 204,550 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 608,597 |
| Employer contributions subsequent to the measurement date | 419,503 | - |
| Total | \$ 624,053 | \$ 608,597 |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

| PORS | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ 119,111 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 516,460 |
| Employer contributions subsequent to the measurement date | <u>394,052</u> | <u>-</u> |
| Total | <u><u>\$ 513,163</u></u> | <u><u>\$ 516,460</u></u> |

County contributions subsequent to the measurement date of \$419,503 and \$394,052 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | SCRS | PORS |
|----------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| 2016 | \$ 88,880 | \$ 98,225 |
| 2017 | 88,880 | 98,225 |
| 2018 | 88,880 | 98,225 |
| 2019 | 137,407 | 102,674 |

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

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.

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

Edgefield County Hospital

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, 2014 and 2013, the Hospital contributed approximately \$69,000 and \$113,000, respectively, to the Plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances as of June 30, 2015, are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-----------------------------|-----------|
| General Fund | Nonmajor Governmental Funds | \$ 43,329 |
| | | \$ 43,329 |

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.

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, 2015 consisted of the following individual amounts:

| Transfer in Fund | Transfer Out Fund | Amount |
|-----------------------------|-----------------------------|------------|
| General Fund | Nonmajor Governmental Funds | \$ 167,269 |
| Capital Projects Fund | General Fund | 32,291 |
| Capital Projects Fund | Debt Service Fund | 395,185 |
| General Fund | EMS Fund | 15,980 |
| Nonmajor Governmental Funds | General Fund | 184,601 |
| | | \$ 795,326 |

Transfers are used to (1) move revenues from the fund that the 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.

NOTES TO FINANCIAL STATEMENTS

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.

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, 2015, 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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTE 13. CHANGES IN ACCOUNTING PRINCIPLES

The County has determined that restatements to the July 1, 2014 beginning net position of the County's governmental activities and the Tri-County Solid Waste Authority discretely presented component unit were required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified.

This adjustment resulted in a change to the beginning net position of the following activities as follows:

| | Governmental Activities | Component Unit Tri-County Solid Waste Authority |
|--|------------------------------------|--|
| Governmental activities net position, as previously reported | \$ 23,418,026 | \$ 3,517,747 |
| Change in accounting principle due to the implementation of GASB Statement No. 68 | (11,305,478) | (284,683) |
| Governmental activities net position, as restated | \$ 12,112,548 | \$ 3,233,064 |

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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, 2015**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 5,212,213 | \$ 5,212,213 | \$ 5,185,311 | \$ (26,902) |
| Sales taxes | - | - | 1,057,860 | 1,057,860 |
| Licenses, permits and fees | 432,400 | 539,650 | 569,220 | 29,570 |
| Intergovernmental | 1,296,231 | 1,296,231 | 1,350,124 | 53,893 |
| Charges for services | 12,700 | 312,802 | 191,429 | (121,373) |
| Fines and forfeitures | 160,700 | 456,040 | 361,945 | (94,095) |
| Interest revenue | 15,000 | 15,000 | 27,248 | 12,248 |
| Other revenues | 189,200 | 189,200 | 393,207 | 204,007 |
| Total revenues | <u>7,318,444</u> | <u>8,021,136</u> | <u>9,136,344</u> | <u>1,115,208</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 505,248 | 507,248 | 466,286 | 40,962 |
| Staff agencies | 1,606,160 | 1,959,300 | 1,970,435 | (11,135) |
| Finance agencies | 679,824 | 683,824 | 605,100 | 78,724 |
| Public safety | 3,858,162 | 4,110,295 | 4,023,619 | 86,676 |
| Public works | 104,137 | 104,137 | 109,108 | (4,971) |
| Health and social services | 105,747 | 105,747 | 90,919 | 14,828 |
| Building maintenance | 262,970 | 319,290 | 323,381 | (4,091) |
| Nondepartmental | 1,598,259 | 1,611,859 | 1,538,230 | 73,629 |
| Capital outlay | <u>47,150</u> | <u>150,850</u> | <u>129,383</u> | <u>21,467</u> |
| Total expenditures | <u>8,767,657</u> | <u>9,552,550</u> | <u>9,256,461</u> | <u>296,089</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,449,213)</u> | <u>(1,531,414)</u> | <u>(120,117)</u> | <u>1,411,297</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,275,000 | 1,275,000 | 183,249 | (1,091,751) |
| Transfers out | (184,602) | (184,602) | (216,892) | (32,290) |
| Total other financing sources (uses) | <u>1,090,398</u> | <u>1,090,398</u> | <u>(33,643)</u> | <u>(1,124,041)</u> |
| Net change in fund balances | (358,815) | (441,016) | (153,760) | 287,256 |
| Fund balances, beginning of year | <u>5,562,092</u> | <u>5,562,092</u> | <u>5,562,092</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 5,203,277</u> | <u>\$ 5,121,076</u> | <u>\$ 5,408,332</u> | <u>\$ 287,256</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-------------------------------------|------------------|----------------|----------------|----------------------------------|
| | Original | Final | | |
| General government: | | | | |
| County council | | | | |
| Personnel services | \$ 55,426 | \$ 55,426 | \$ 54,703 | \$ 723 |
| Operating expenses | 60,100 | 60,100 | 28,071 | 32,029 |
| Total county council | <u>115,526</u> | <u>115,526</u> | <u>82,774</u> | <u>32,752</u> |
| County administrator's office | | | | |
| Personnel services | 344,652 | 344,652 | 346,966 | (2,314) |
| Operating expenses | 45,070 | 47,070 | 36,546 | 10,524 |
| Capital outlay | 2,000 | 3,290 | 3,258 | 32 |
| Total county administrator's office | <u>391,722</u> | <u>395,012</u> | <u>386,770</u> | <u>8,242</u> |
| Total current expenditures | 505,248 | 507,248 | 466,286 | 40,962 |
| Total capital outlay | 2,000 | 3,290 | 3,258 | 32 |
| Total general government | <u>507,248</u> | <u>510,538</u> | <u>469,544</u> | <u>40,994</u> |
| Staff agencies: | | | | |
| Clerk of court | | | | |
| Personnel services | 257,150 | 257,150 | 251,385 | 5,765 |
| Operating expenses | 132,311 | 236,561 | 262,397 | (25,836) |
| Capital outlay | - | 12,718 | 11,370 | 1,348 |
| Total clerk of court | <u>389,461</u> | <u>506,429</u> | <u>525,152</u> | <u>(18,723)</u> |
| Circuit court | | | | |
| Personnel services | 11,855 | 11,855 | 11,020 | 835 |
| Operating expenses | 53,650 | 53,650 | 23,687 | 29,963 |
| Total circuit court | <u>65,505</u> | <u>65,505</u> | <u>34,707</u> | <u>30,798</u> |
| County archives | | | | |
| Personnel services | 33,375 | 33,375 | 33,287 | 88 |
| Operating expenses | 2,400 | 2,400 | 2,358 | 42 |
| Total county archives | <u>35,775</u> | <u>35,775</u> | <u>35,645</u> | <u>130</u> |
| Coroner | | | | |
| Personnel services | 57,794 | 57,794 | 57,603 | 191 |
| Operating expenses | 31,500 | 38,857 | 38,392 | 465 |
| Total coroner | <u>89,294</u> | <u>96,651</u> | <u>95,995</u> | <u>656</u> |
| Veterans' affairs | | | | |
| Personnel services | 73,598 | 73,598 | 70,278 | 3,320 |
| Operating expenses | 8,660 | 8,660 | 5,793 | 2,867 |
| Total veterans' affairs | <u>82,258</u> | <u>82,258</u> | <u>76,071</u> | <u>6,187</u> |
| Magistrate | | | | |
| Personnel services | 288,764 | 288,764 | 286,931 | 1,833 |
| Operating expenses | 35,060 | 35,060 | 28,169 | 6,891 |
| Capital outlay | 12,000 | 18,145 | 14,688 | 3,457 |
| Total magistrate | <u>335,824</u> | <u>341,969</u> | <u>329,788</u> | <u>12,181</u> |
| Probate judge | | | | |
| Personnel services | 171,419 | 171,419 | 170,735 | 684 |
| Operating expenses | 20,725 | 23,725 | 23,425 | 300 |
| Capital outlay | 2,000 | 2,000 | 905 | 1,095 |
| Total probate judge | <u>194,144</u> | <u>197,144</u> | <u>195,065</u> | <u>2,079</u> |

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|------------------------------------|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Staff agencies (continued): | | | | |
| Board of registration | | | | |
| Personnel services | \$ 74,634 | \$ 93,337 | \$ 95,767 | \$ (2,430) |
| Operating expenses | 31,950 | 251,780 | 295,265 | (43,485) |
| Capital outlay | - | - | 112 | (112) |
| Total board of registration | <u>106,584</u> | <u>345,117</u> | <u>391,144</u> | <u>(46,027)</u> |
| Tri-county public defender | | | | |
| Operating expenses | <u>25,025</u> | <u>25,025</u> | <u>25,034</u> | <u>(9)</u> |
| Total tri-county public defender | <u>25,025</u> | <u>25,025</u> | <u>25,034</u> | <u>(9)</u> |
| Planning commission | | | | |
| Personnel services | 188,553 | 188,553 | 187,959 | 594 |
| Operating expenses | <u>27,929</u> | <u>27,929</u> | <u>25,742</u> | <u>2,187</u> |
| Total planning commission | <u>216,482</u> | <u>216,482</u> | <u>213,701</u> | <u>2,781</u> |
| Circuit judge | | | | |
| Operating expenses | <u>530</u> | <u>530</u> | <u>389</u> | <u>141</u> |
| Total circuit judge | <u>530</u> | <u>530</u> | <u>389</u> | <u>141</u> |
| GIS/Grant writing | | | | |
| Personnel services | 66,178 | 66,178 | 66,015 | 163 |
| Operating expenses | <u>13,100</u> | <u>13,100</u> | <u>8,804</u> | <u>4,296</u> |
| Total GIS/Grant writing | <u>79,278</u> | <u>79,278</u> | <u>74,819</u> | <u>4,459</u> |
| Total current expenditures | 1,606,160 | 1,959,300 | 1,970,435 | (11,135) |
| Total capital outlay | <u>14,000</u> | <u>32,863</u> | <u>27,075</u> | <u>5,788</u> |
| Total staff agencies | <u>1,620,160</u> | <u>1,992,163</u> | <u>1,997,510</u> | <u>(5,347)</u> |
| Finance agencies: | | | | |
| Tax assessor | | | | |
| Personnel services | 210,123 | 210,123 | 165,474 | 44,649 |
| Operating expenses | <u>49,500</u> | <u>49,500</u> | <u>37,633</u> | <u>11,867</u> |
| Total tax assessor | <u>259,623</u> | <u>259,623</u> | <u>203,107</u> | <u>56,516</u> |
| Auditor | | | | |
| Personnel services | 96,939 | 96,939 | 96,272 | 667 |
| Operating expenses | <u>12,170</u> | <u>12,170</u> | <u>11,300</u> | <u>870</u> |
| Total auditor | <u>109,109</u> | <u>109,109</u> | <u>107,572</u> | <u>1,537</u> |
| Treasurer | | | | |
| Personnel services | 116,421 | 116,421 | 116,009 | 412 |
| Operating expenses | <u>44,225</u> | <u>44,225</u> | <u>36,109</u> | <u>8,116</u> |
| Capital outlay | 950 | 950 | 650 | 300 |
| Total treasurer | <u>161,596</u> | <u>161,596</u> | <u>152,768</u> | <u>8,828</u> |
| Tax collector | | | | |
| Personnel services | 65,146 | 65,146 | 59,137 | 6,009 |
| Operating expenses | <u>85,300</u> | <u>89,300</u> | <u>83,166</u> | <u>6,134</u> |
| Total tax collector | <u>150,446</u> | <u>154,446</u> | <u>142,303</u> | <u>12,143</u> |
| Total current expenditures | 679,824 | 683,824 | 605,100 | 78,724 |
| Total capital outlay | <u>950</u> | <u>950</u> | <u>650</u> | <u>300</u> |
| Total finance agencies | <u>680,774</u> | <u>684,774</u> | <u>605,750</u> | <u>79,024</u> |

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-------------------------------|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Public safety: | | | | |
| Sheriff's office | | | | |
| Personnel services | \$ 1,869,198 | \$ 1,869,198 | \$ 1,919,469 | \$ (50,271) |
| Operating expenses | 309,085 | 310,485 | 311,092 | (607) |
| Capital outlay | 22,000 | 22,000 | 10,567 | 11,433 |
| Total sheriff's office | <u>2,200,283</u> | <u>2,201,683</u> | <u>2,241,128</u> | <u>(39,445)</u> |
| School resource officer | | | | |
| School resource I | - | 70,323 | 66,197 | 4,126 |
| School resource II | - | 56,070 | 54,185 | 1,885 |
| School resource III | - | 39,507 | 37,677 | 1,830 |
| Event security | - | 56,270 | 55,533 | 737 |
| Total school resource officer | <u>-</u> | <u>222,170</u> | <u>213,592</u> | <u>8,578</u> |
| E911 dispatch operator | | | | |
| Personnel services | 414,473 | 414,473 | 415,757 | (1,284) |
| Operating expenses | 34,650 | 34,650 | 29,104 | 5,546 |
| Total E911 dispatch operator | <u>449,123</u> | <u>449,123</u> | <u>444,861</u> | <u>4,262</u> |
| County jail | | | | |
| Personnel services | 683,197 | 683,197 | 627,085 | 56,112 |
| Operating expenses | 315,550 | 315,550 | 298,352 | 17,198 |
| Capital outlay | 500 | 500 | - | 500 |
| Total county jail | <u>999,247</u> | <u>999,247</u> | <u>925,437</u> | <u>73,810</u> |
| Animal control | | | | |
| Personnel services | 40,909 | 40,909 | 35,526 | 5,383 |
| Operating expenses | 79,400 | 79,400 | 57,273 | 22,127 |
| Capital outlay | 1,000 | 66,011 | 65,304 | 707 |
| Total animal control | <u>121,309</u> | <u>186,320</u> | <u>158,103</u> | <u>28,217</u> |
| Emergency preparedness | | | | |
| Personnel services | 79,000 | 79,000 | 62,948 | 16,052 |
| Operating expenses | 32,700 | 61,263 | 53,421 | 7,842 |
| Capital outlay | 3,500 | 10,265 | 13,472 | (3,207) |
| Total emergency preparedness | <u>115,200</u> | <u>150,528</u> | <u>129,841</u> | <u>20,687</u> |
| Total current expenditures | 3,858,162 | 4,110,295 | 4,023,619 | 86,676 |
| Total capital outlay | 27,000 | 98,776 | 89,343 | 9,433 |
| Total public safety | <u>3,885,162</u> | <u>4,209,071</u> | <u>4,112,962</u> | <u>96,109</u> |
| Public works: | | | | |
| Maintenance garage | | | | |
| Personnel services | 87,919 | 87,919 | 87,416 | 503 |
| Operating expenses | 8,100 | 8,100 | 13,961 | (5,861) |
| Capital outlay | 1,000 | 1,000 | - | 1,000 |
| Total maintenance garage | <u>97,019</u> | <u>97,019</u> | <u>101,377</u> | <u>(4,358)</u> |
| Fuel site | | | | |
| Operating expenses | 2,190 | 2,190 | 1,819 | 371 |
| Total fuel site | <u>2,190</u> | <u>2,190</u> | <u>1,819</u> | <u>371</u> |
| Delegation secretary | | | | |
| Personnel services | 5,928 | 5,928 | 5,912 | 16 |
| Total delegation secretary | <u>5,928</u> | <u>5,928</u> | <u>5,912</u> | <u>16</u> |

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|----------------|----------------|----------------------------------|
| | Original | Final | | |
| Public works (continued): | | | | |
| Total current expenditures | \$ 104,137 | \$ 104,137 | \$ 109,108 | \$ (4,971) |
| Total capital outlay | 1,000 | 1,000 | - | 1,000 |
| Total public works | <u>105,137</u> | <u>105,137</u> | <u>109,108</u> | <u>(3,971)</u> |
| Health and social services: | | | | |
| Department of social services | | | | |
| Operating expenses | 575 | 575 | - | 575 |
| Total department of social services | <u>575</u> | <u>575</u> | <u>-</u> | <u>575</u> |
| 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 | 50,872 | 50,872 | 50,872 | - |
| Total medical indigent | <u>50,872</u> | <u>50,872</u> | <u>50,872</u> | <u>-</u> |
| Alcohol and drug abuse | | | | |
| Operating expenses | 45,000 | 45,000 | 30,747 | 14,253 |
| Total alcohol and drug abuse | <u>45,000</u> | <u>45,000</u> | <u>30,747</u> | <u>14,253</u> |
| County health department | | | | |
| Operating expenses | 6,300 | 6,300 | 6,300 | - |
| Total county health department | <u>6,300</u> | <u>6,300</u> | <u>6,300</u> | <u>-</u> |
| Total current expenditures | <u>105,747</u> | <u>105,747</u> | <u>90,919</u> | <u>14,828</u> |
| Total health and social services | <u>105,747</u> | <u>105,747</u> | <u>90,919</u> | <u>14,828</u> |
| Building maintenance: | | | | |
| Courthouse building | | | | |
| Operating expenses | 70,960 | 91,330 | 94,100 | (2,770) |
| Total courthouse building | <u>70,960</u> | <u>91,330</u> | <u>94,100</u> | <u>(2,770)</u> |
| County council chambers | | | | |
| Operating expenses | 15,150 | 15,150 | 15,390 | (240) |
| Total county council chambers | <u>15,150</u> | <u>15,150</u> | <u>15,390</u> | <u>(240)</u> |
| County auditor's building | | | | |
| Operating expenses | 5,000 | 17,500 | 16,524 | 976 |
| Total county auditor's building | <u>5,000</u> | <u>17,500</u> | <u>16,524</u> | <u>976</u> |
| Department of social services building | | | | |
| Operating expenses | 19,440 | 28,140 | 29,999 | (1,859) |
| Total department of social services building | <u>19,440</u> | <u>28,140</u> | <u>29,999</u> | <u>(1,859)</u> |
| County administrative building | | | | |
| Operating expenses | 10,460 | 10,460 | 9,660 | 800 |
| Total county administrative building | <u>10,460</u> | <u>10,460</u> | <u>9,660</u> | <u>800</u> |
| Agriculture building | | | | |
| Operating expenses | 12,460 | 15,860 | 14,645 | 1,215 |
| Total agriculture building | <u>12,460</u> | <u>15,860</u> | <u>14,645</u> | <u>1,215</u> |
| Health building | | | | |
| Operating expenses | 2,580 | 2,580 | 3,352 | (772) |
| Capital outlay | - | 11,771 | 8,890 | 2,881 |
| Total health building | <u>2,580</u> | <u>14,351</u> | <u>12,242</u> | <u>2,109</u> |

(Continued)

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------|--------------|--------------|----------------------------------|
| | Original | Final | | |
| Building maintenance (continued): | | | | |
| Magistrate building | | | | |
| Operating expenses | \$ 6,110 | \$ 6,110 | \$ 6,685 | \$ (575) |
| Total magistrate building | 6,110 | 6,110 | 6,685 | (575) |
| Neighborhood center - salary and utilities | | | | |
| Operating expenses | 18,550 | 27,980 | 29,050 | (1,070) |
| Total neighborhood center - salary and utilities | 18,550 | 27,980 | 29,050 | (1,070) |
| Sheriff's building | | | | |
| Operating expenses | 42,930 | 42,930 | 30,079 | 12,851 |
| Capital outlay | 2,200 | 2,200 | 167 | 2,033 |
| Total sheriff's building | 45,130 | 45,130 | 30,246 | 14,884 |
| County jail building | | | | |
| Operating expenses | 49,480 | 49,480 | 62,413 | (12,933) |
| Total county jail building | 49,480 | 49,480 | 62,413 | (12,933) |
| Maintenance garage | | | | |
| Operating expenses | 3,880 | 3,880 | 3,698 | 182 |
| Total maintenance garage | 3,880 | 3,880 | 3,698 | 182 |
| Kneece building | | | | |
| Operating expenses | 5,970 | 7,890 | 7,786 | 104 |
| Total Kneece building | 5,970 | 7,890 | 7,786 | 104 |
| Total current expenditures | 262,970 | 319,290 | 323,381 | (4,091) |
| Total capital outlay | 2,200 | 13,971 | 9,057 | 4,914 |
| Total building maintenance | 265,170 | 333,261 | 332,438 | 823 |
| Nondepartmental: | | | | |
| Miscellaneous | 3,456 | 17,056 | 30,469 | (13,413) |
| County agent | 1,000 | 1,000 | 1,000 | - |
| Employment and social security office | 400 | 400 | 334 | 66 |
| Soil and water conservation office | 2,000 | 2,000 | 2,000 | - |
| Probation office | 1,300 | 1,300 | 1,357 | (57) |
| Upper Savannah Council of Governments | 18,443 | 18,443 | 18,443 | - |
| Piedmont Technical Education Center | 47,000 | 47,000 | 47,000 | - |
| Professional services | 1,343,800 | 1,343,800 | 1,257,070 | 86,730 |
| ABBE Regional Library | 180,860 | 180,860 | 180,557 | 303 |
| Total current expenditures | 1,598,259 | 1,611,859 | 1,538,230 | 73,629 |
| Total nondepartmental | 1,598,259 | 1,611,859 | 1,538,230 | 73,629 |
| Total expenditures | \$ 8,767,657 | \$ 9,552,550 | \$ 9,256,461 | \$ 296,089 |

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, 2015**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 810,100 | \$ 810,100 | \$ 803,700 | \$ (6,400) |
| Charges for services | 616,000 | 616,000 | 775,642 | 159,642 |
| Interest revenue | 1,500 | 1,500 | 808 | (692) |
| Other revenues | 23,000 | 23,000 | 25,172 | 2,172 |
| Total revenues | <u>1,450,600</u> | <u>1,450,600</u> | <u>1,605,322</u> | <u>154,722</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Health and social services | <u>1,507,290</u> | <u>1,507,290</u> | <u>1,337,104</u> | <u>170,186</u> |
| Total expenditures | <u>1,507,290</u> | <u>1,507,290</u> | <u>1,337,104</u> | <u>170,186</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(56,690)</u> | <u>(56,690)</u> | <u>268,218</u> | <u>324,908</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 | (56,690) | (56,690) | 252,238 | 308,928 |
| Fund balances, beginning of year | <u>231,581</u> | <u>231,581</u> | <u>231,581</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 174,891</u> | <u>\$ 174,891</u> | <u>\$ 483,819</u> | <u>\$ 308,928</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30

| South Carolina Retirement System | | 2015 |
|---|----|-----------------|
| County's proportion of the net pension liability | | 0.041929% |
| County's proportionate share of the net pension liability | \$ | 7,218,785 |
| County's covered-employee payroll | \$ | 3,443,927 |
| County's proportionate share of the net pension liability as a percentage of its covered-employee payroll | | 209.6% |
| Plan fiduciary net position as a percentage of the total pension liability | | 59.9% |
| South Carolina Police Officers Retirement System | | 2015 |
| County's proportion of the net pension liability | | 0.23315% |
| County's proportionate share of the net pension liability | \$ | 4,463,507 |
| County's covered-employee payroll | \$ | 2,553,794 |
| County's proportionate share of the net pension liability as a percentage of its covered-employee payroll | | 174.8% |
| Plan fiduciary net position as a percentage of the total pension liability | | 67.5% |

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 8 to the financial statements.

EDGEFIELD COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30

| South Carolina Retirement System | <u>2015</u> |
|--|-----------------|
| Actuarially determined contribution | \$ 403,502 |
| Contributions in relation to the actuarially determined contribution | <u>403,502</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered-employee payroll | 3,443,927 |
| Contributions as a percentage of covered-employee payroll | 11.72% |
| South Carolina Police Officers Retirement System | <u>2015</u> |
| Actuarially determined contribution | \$ 360,061 |
| Contributions in relation to the actuarially determined contribution | <u>360,061</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered-employee payroll | 2,553,794 |
| Contributions as a percentage of covered-employee payroll | 14.10% |

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 8 to the financial statements.

**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 for 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, Saluda, and Lexington 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.

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

| | Industrial Development | Victim's Bill of Rights | County Tire Fund | 911 Surcharge | User Fee Fund | Road Fee Fund |
|--|-----------------------------------|--|-----------------------------|--------------------------|------------------------------|------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 8,044 | \$ 55,565 | \$ - | \$ 174,049 | \$ 119,859 | \$ 246,849 |
| Investments | 1,841 | 12,714 | - | 39,822 | 27,423 | 56,478 |
| Taxes receivable | 3,415 | - | - | - | - | - |
| Accounts receivable, net | - | - | 2,634 | 64,789 | 108,632 | - |
| Total assets | <u>\$ 13,300</u> | <u>\$ 68,279</u> | <u>\$ 2,634</u> | <u>\$ 278,660</u> | <u>\$ 255,914</u> | <u>\$ 303,327</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 649 | \$ - | \$ - | \$ 574 | \$ 1,650 |
| Accrued liabilities | - | 420 | - | 496 | 406 | 2,827 |
| Due to other funds | - | - | 8,819 | - | - | - |
| Total liabilities | <u>-</u> | <u>1,069</u> | <u>8,819</u> | <u>496</u> | <u>980</u> | <u>4,477</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 2,985 | - | - | - | - | - |
| Unavailable revenue - user fees | - | - | - | - | 91,840 | - |
| Total deferred inflows of resources | <u>2,985</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>91,840</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Public works | - | - | - | - | 163,094 | 298,850 |
| Health and social services | - | - | - | - | - | - |
| Public safety | - | 67,210 | - | 278,164 | - | - |
| Industrial development | 10,315 | - | - | - | - | - |
| Unassigned | - | - | (6,185) | - | - | - |
| Total fund balances (deficit) | <u>10,315</u> | <u>67,210</u> | <u>(6,185)</u> | <u>278,164</u> | <u>163,094</u> | <u>298,850</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 13,300</u> | <u>\$ 68,279</u> | <u>\$ 2,634</u> | <u>\$ 278,660</u> | <u>\$ 255,914</u> | <u>\$ 303,327</u> |

| Assistant Solicitor | Solicitor | Recreation | SRO Grant Program | Tri-County Juvenile Justice Grant | Pre-Trial Intervention | Sheriff Grants |
|----------------------------|------------------|-------------------|--------------------------|--|-------------------------------|-----------------------|
| \$ - | \$ 49,023 | \$ - | \$ - | \$ 336 | \$ 561 | \$ 62,505 |
| - | 11,216 | - | - | - | - | 14,301 |
| - | - | 6,201 | - | - | - | - |
| - | - | - | - | - | - | 264 |
| <u>\$ -</u> | <u>\$ 60,239</u> | <u>\$ 6,201</u> | <u>\$ -</u> | <u>\$ 336</u> | <u>\$ 561</u> | <u>\$ 77,070</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6,828 | 3,408 | 628 | 655 | - | 2,006 | - |
| 1,098 | - | 14,660 | 18,752 | - | - | - |
| <u>7,926</u> | <u>3,408</u> | <u>15,288</u> | <u>19,407</u> | <u>-</u> | <u>2,006</u> | <u>-</u> |
| - | - | 5,423 | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>5,423</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 56,831 | - | - | 336 | - | 77,070 |
| - | - | - | - | - | - | - |
| (7,926) | - | (14,510) | (19,407) | - | (1,445) | - |
| <u>(7,926)</u> | <u>56,831</u> | <u>(14,510)</u> | <u>(19,407)</u> | <u>336</u> | <u>(1,445)</u> | <u>77,070</u> |
| <u>\$ -</u> | <u>\$ 60,239</u> | <u>\$ 6,201</u> | <u>\$ -</u> | <u>\$ 336</u> | <u>\$ 561</u> | <u>\$ 77,070</u> |

Continued

EDGEFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

| | Clerk of Court Grants | Criminal Domestic Violence | Totals |
|--|--------------------------------------|---|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 116,726 | \$ 1,346 | \$ 834,863 |
| Investments | 26,707 | - | 190,502 |
| Taxes receivable | - | - | 9,616 |
| Accounts receivable, net | 5,147 | - | 181,466 |
| Total assets | <u>\$ 148,580</u> | <u>\$ 1,346</u> | <u>\$ 1,216,447</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 4,575 | \$ - | \$ 7,448 |
| Accrued liabilities | - | 1,053 | 18,727 |
| Due to other funds | - | - | 43,329 |
| Total liabilities | <u>4,575</u> | <u>1,053</u> | <u>69,504</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | - | - | 8,408 |
| Unavailable revenue - user fees | - | - | 91,840 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>100,248</u> |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Public works | - | - | 461,944 |
| Health and social services | 144,005 | - | 144,005 |
| Public safety | - | 293 | 479,904 |
| Industrial development | - | - | 10,315 |
| Unassigned | - | - | (49,473) |
| Total fund balances (deficit) | <u>144,005</u> | <u>293</u> | <u>1,046,695</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 148,580</u> | <u>\$ 1,346</u> | <u>\$ 1,216,447</u> |

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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, 2015**

| | Industrial Development | Victim's Bill of Rights | County Tire Fund | 911 Surcharge | User Fee Fund | Road Fee Fund |
|--|-----------------------------------|--|-----------------------------|--------------------------|------------------------------|------------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 62,955 | \$ - | \$ - | \$ - | \$ - | \$ 475,390 |
| Intergovernmental | - | - | 13,571 | 169,708 | - | 43,013 |
| Local funds | - | 30,878 | 12,654 | - | - | - |
| Charges for services | - | - | - | - | 847,744 | - |
| Interest revenue | 33 | 207 | - | 651 | 493 | 734 |
| Other revenues | 1,375 | - | - | - | - | 1,330 |
| Total revenues | <u>64,363</u> | <u>31,085</u> | <u>26,225</u> | <u>170,359</u> | <u>848,237</u> | <u>520,467</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public safety | - | 52,446 | - | 112,107 | - | - |
| Public works | - | - | - | - | 853,809 | 446,312 |
| Health and social services | - | - | - | - | - | - |
| Nondepartmental | 64,838 | - | 31,878 | - | - | - |
| Capital outlay | - | - | - | 1,158 | - | - |
| Total expenditures | <u>64,838</u> | <u>52,446</u> | <u>31,878</u> | <u>113,265</u> | <u>853,809</u> | <u>446,312</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(475)</u> | <u>(21,361)</u> | <u>(5,653)</u> | <u>57,094</u> | <u>(5,572)</u> | <u>74,155</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | 6,910 | - | - | - | - |
| Transfers out | (4,000) | - | - | - | (97,220) | (15,000) |
| Total other financing sources (uses) | <u>(4,000)</u> | <u>6,910</u> | <u>-</u> | <u>-</u> | <u>(97,220)</u> | <u>(15,000)</u> |
| Net change in fund balances | (4,475) | (14,451) | (5,653) | 57,094 | (102,792) | 59,155 |
| Fund balances (deficit), beginning 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> |
| Fund balances (deficit), end of year | <u>\$ 10,315</u> | <u>\$ 67,210</u> | <u>\$ (6,185)</u> | <u>\$ 278,164</u> | <u>\$ 163,094</u> | <u>\$ 298,850</u> |

| Assistant Solicitor | Solicitor | Recreation | SRO Grant Program | Tri-County Juvenile Justice Grant | Pre-Trial Intervention | Sheriff Grants |
|----------------------------|------------------|--------------------|--------------------------|--|-------------------------------|-----------------------|
| \$ - | \$ - | \$ 113,602 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 46,929 | - | - | 20,747 |
| 693,471 | 232,177 | - | - | - | - | - |
| - | - | 54,680 | - | - | 185,253 | - |
| - | - | 50 | - | - | - | - |
| - | - | 9,035 | - | - | - | - |
| <u>693,471</u> | <u>232,177</u> | <u>177,367</u> | <u>46,929</u> | <u>-</u> | <u>185,253</u> | <u>20,747</u> |
| 699,615 | 372,690 | - | 65,371 | - | 182,936 | 28,610 |
| - | - | - | - | - | - | - |
| - | - | 218,813 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>699,615</u> | <u>372,690</u> | <u>218,813</u> | <u>65,371</u> | <u>-</u> | <u>182,936</u> | <u>28,610</u> |
| <u>(6,144)</u> | <u>(140,513)</u> | <u>(41,446)</u> | <u>(18,442)</u> | <u>-</u> | <u>2,317</u> | <u>(7,863)</u> |
| - | 177,691 | - | - | - | - | - |
| - | (30,000) | - | - | - | - | - |
| - | <u>147,691</u> | - | - | - | - | - |
| (6,144) | 7,178 | (41,446) | (18,442) | - | 2,317 | (7,863) |
| (1,782) | 49,653 | 26,936 | (965) | 336 | (3,762) | 84,933 |
| <u>\$ (7,926)</u> | <u>\$ 56,831</u> | <u>\$ (14,510)</u> | <u>\$ (19,407)</u> | <u>\$ 336</u> | <u>\$ (1,445)</u> | <u>\$ 77,070</u> |

Continued

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, 2015**

| | Clerk of Court Grants | Criminal Domestic Violence | Totals |
|--|--------------------------------------|---|---------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ 651,947 |
| Intergovernmental | 64,819 | 96,617 | 455,404 |
| Local funds | - | - | 969,180 |
| Charges for services | - | - | 1,087,677 |
| Interest revenue | - | - | 2,168 |
| Other revenues | - | - | 11,740 |
| Total revenues | <u>64,819</u> | <u>96,617</u> | <u>3,178,116</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | - | 97,658 | 1,611,433 |
| Public works | - | - | 1,300,121 |
| Health and social services | 38,406 | - | 257,219 |
| Nondepartmental | - | - | 96,716 |
| Capital outlay | - | - | 1,158 |
| Total expenditures | <u>38,406</u> | <u>97,658</u> | <u>3,266,647</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>26,413</u> | <u>(1,041)</u> | <u>(88,531)</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 184,601 |
| Transfers out | <u>(21,049)</u> | - | <u>(167,269)</u> |
| Total other financing sources (uses) | <u>(21,049)</u> | - | <u>17,332</u> |
| Net change in fund balances | 5,364 | (1,041) | (71,199) |
| Fund balances (deficit), beginning of year | <u>138,641</u> | <u>1,334</u> | <u>1,117,894</u> |
| Fund balances (deficit), end of year | <u>\$ 144,005</u> | <u>\$ 293</u> | <u>\$ 1,046,695</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - TRI-COUNTY SOLID WASTE AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | |
|---|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 1,964,416 |
| Payments to suppliers | (1,437,514) |
| Payments to employees | (407,043) |
| Net cash provided by operating activities | 119,859 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (262,795) |
| Proceeds from the sale of capital assets | 7,007 |
| Net cash used in capital and related financing activities | (255,788) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from the sale of investments | 64,533 |
| Interest received | 4,685 |
| Net cash provided by investing activities | 69,218 |
| Net change in cash and cash equivalents | (66,711) |
| Cash and cash equivalents: | |
| Beginning of year | 1,306,886 |
| End of year | \$ 1,240,175 |
| Reconciliation of operating loss to net cash provided by operating activities: | |
| Operating loss | \$ (243,183) |
| Adjustments to reconcile operating loss to net cash used for operating activities: | |
| Depreciation | 336,955 |
| Changes in assets and liabilities: | |
| Decrease in accounts receivable | 22,666 |
| Increase in deferred outflows of resources | (8,822) |
| Decrease in accrued liabilities | (2,956) |
| Increase in compensated absences | 2,925 |
| Decrease in net pension liability | (12,071) |
| Increase in deferred inflows of resources | 24,345 |
| Net cash provided by operating activities | \$ 119,859 |

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, 2015

| | June 30, 2014 | Increases | Decreases | June 30, 2015 |
|--|-------------------|---------------------|-----------------------|-------------------|
| Rural Fire | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 145,331 | \$ 848,446 | \$ (847,052) | \$ 146,725 |
| Taxes receivable | 26,664 | 676,679 | (670,679) | 32,664 |
| Due from other governments | 51,568 | 55,103 | (52,622) | 54,049 |
| Total assets | <u>\$ 223,563</u> | <u>\$ 1,580,228</u> | <u>\$ (1,570,353)</u> | <u>\$ 233,438</u> |
| LIABILITIES | | | | |
| Uncollected property taxes | \$ 26,664 | \$ 676,679 | \$ (670,679) | \$ 32,664 |
| Due to others | 196,899 | 903,549 | (899,674) | 200,774 |
| Total liabilities | <u>\$ 223,563</u> | <u>\$ 1,580,228</u> | <u>\$ (1,570,353)</u> | <u>\$ 233,438</u> |
| Tax Collector Property Sold | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 285,490 | \$ 1,156,955 | \$ (1,217,508) | \$ 224,937 |
| Total assets | <u>\$ 285,490</u> | <u>\$ 1,156,955</u> | <u>\$ (1,217,508)</u> | <u>\$ 224,937</u> |
| LIABILITIES | | | | |
| Due to others | \$ 285,490 | \$ 1,156,955 | (1,217,508) | \$ 224,937 |
| Total liabilities | <u>\$ 285,490</u> | <u>\$ 1,156,955</u> | <u>\$ (1,217,508)</u> | <u>\$ 224,937</u> |
| Judge of Probate Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 1,698 | \$ - | \$ - | \$ 1,698 |
| Total assets | <u>\$ 1,698</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,698</u> |
| LIABILITIES | | | | |
| Due to other taxing districts and agencies | \$ 1,698 | \$ - | \$ - | \$ 1,698 |
| Total liabilities | <u>\$ 1,698</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,698</u> |
| Hospital Operating Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 7,183 | \$ 536,559 | \$ (535,044) | \$ 8,698 |
| Taxes receivable | 23,137 | 527,032 | (522,878) | 27,291 |
| Due from other governments | - | 645 | - | 645 |
| Total assets | <u>\$ 30,320</u> | <u>\$ 1,064,236</u> | <u>\$ (1,057,922)</u> | <u>\$ 36,634</u> |
| LIABILITIES | | | | |
| Uncollected property taxes | \$ 23,137 | \$ 527,032 | \$ (522,878) | \$ 27,291 |
| Due to others | 7,183 | 537,204 | (535,044) | 9,343 |
| Total liabilities | <u>\$ 30,320</u> | <u>\$ 1,064,236</u> | <u>\$ (1,057,922)</u> | <u>\$ 36,634</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | June 30, 2014 | Increases | Decreases | June 30, 2015 |
|--|---------------------|----------------------|------------------------|---------------------|
| School Operating Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 504,120 | \$ 15,452,952 | \$ (15,394,968) | \$ 562,104 |
| Taxes receivable | 710,569 | 10,545,134 | (10,414,922) | 840,781 |
| Due from other governments | 295,084 | 618,889 | (590,169) | 323,804 |
| Total assets | <u>\$ 1,509,773</u> | <u>\$ 26,616,975</u> | <u>\$ (26,400,059)</u> | <u>\$ 1,726,689</u> |
| LIABILITIES | | | | |
| Uncollected property taxes | \$ 710,569 | \$ 10,545,134 | \$ (10,414,922) | \$ 840,781 |
| Due to others | 799,204 | 16,071,841 | (15,985,137) | 885,908 |
| Total liabilities | <u>\$ 1,509,773</u> | <u>\$ 26,616,975</u> | <u>\$ (26,400,059)</u> | <u>\$ 1,726,689</u> |
| School Bond Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 699,670 | \$ 209,355 | \$ (200,675) | \$ 708,350 |
| Taxes receivable | 92,732 | 2,023,388 | (2,010,802) | 105,318 |
| Due from other governments | 1,645 | 1,645 | (1,645) | 1,645 |
| Total assets | <u>\$ 794,047</u> | <u>\$ 2,234,388</u> | <u>\$ (2,213,122)</u> | <u>\$ 815,313</u> |
| LIABILITIES | | | | |
| Uncollected property taxes | \$ 92,732 | \$ 2,023,388 | \$ (2,010,802) | \$ 105,318 |
| Due to others | 701,315 | 211,000 | (202,320) | 709,995 |
| Total liabilities | <u>\$ 794,047</u> | <u>\$ 2,234,388</u> | <u>\$ (2,213,122)</u> | <u>\$ 815,313</u> |
| Municipal Tax Collection Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 4,167 | \$ 634,944 | \$ (631,440) | \$ 7,671 |
| Taxes receivable | - | 605,501 | (574,066) | 31,435 |
| Total assets | <u>\$ 4,167</u> | <u>\$ 1,240,445</u> | <u>\$ (1,205,506)</u> | <u>\$ 39,106</u> |
| LIABILITIES | | | | |
| Uncollected property taxes | \$ - | \$ 605,501 | \$ (574,066) | \$ 31,435 |
| Due to others | 4,167 | 634,944 | (631,440) | 7,671 |
| Total liabilities | <u>\$ 4,167</u> | <u>\$ 1,240,445</u> | <u>\$ (1,205,506)</u> | <u>\$ 39,106</u> |
| Forfeitures - Justice Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 672 | \$ 2 | \$ - | \$ 674 |
| Total assets | <u>\$ 672</u> | <u>\$ 2</u> | <u>\$ -</u> | <u>\$ 674</u> |
| LIABILITIES | | | | |
| Due to others | \$ 672 | \$ 2 | \$ - | \$ 674 |
| Total liabilities | <u>\$ 672</u> | <u>\$ 2</u> | <u>\$ -</u> | <u>\$ 674</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | June 30, 2014 | Increases | Decreases | June 30, 2015 |
|--|-------------------|-------------------|---------------------|-------------------|
| 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 | \$ 321,194 | \$ 352,664 | \$ (396,406) | \$ 277,452 |
| Total assets | <u>\$ 321,194</u> | <u>\$ 352,664</u> | <u>\$ (396,406)</u> | <u>\$ 277,452</u> |
| LIABILITIES | | | | |
| Due to others | \$ 321,194 | \$ 352,664 | \$ (396,406) | \$ 277,452 |
| Total liabilities | <u>\$ 321,194</u> | <u>\$ 352,664</u> | <u>\$ (396,406)</u> | <u>\$ 277,452</u> |
| Sheriff & Detention Center | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 1,483 | \$ 111,388 | \$ (109,802) | \$ 3,069 |
| Total assets | <u>\$ 1,483</u> | <u>\$ 111,388</u> | <u>\$ (109,802)</u> | <u>\$ 3,069</u> |
| LIABILITIES | | | | |
| Due to others | \$ 1,483 | \$ 111,388 | \$ (109,802) | \$ 3,069 |
| Total liabilities | <u>\$ 1,483</u> | <u>\$ 111,388</u> | <u>\$ (109,802)</u> | <u>\$ 3,069</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>June 30,</u> <u>2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30,</u> <u>2015</u> |
|--|--------------------------------|----------------------|------------------------|--------------------------------|
| Vehicle Registration Fee Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 13,795 | \$ 323,097 | \$ (330,216) | \$ 6,676 |
| Total assets | <u>\$ 13,795</u> | <u>\$ 323,097</u> | <u>\$ (330,216)</u> | <u>\$ 6,676</u> |
| LIABILITIES | | | | |
| Due to others | \$ 13,795 | \$ 323,097 | \$ (330,216) | \$ 6,676 |
| Total liabilities | <u>\$ 13,795</u> | <u>\$ 323,097</u> | <u>\$ (330,216)</u> | <u>\$ 6,676</u> |
| Magistrate Court Fund | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ - | \$ 389,093 | \$ (389,093) | \$ - |
| Total assets | <u>\$ -</u> | <u>\$ 389,093</u> | <u>\$ (389,093)</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Due to others | \$ - | \$ 389,093 | \$ (389,093) | \$ - |
| Total liabilities | <u>\$ -</u> | <u>\$ 389,093</u> | <u>\$ (389,093)</u> | <u>\$ -</u> |
| Totals | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 1,987,829 | \$ 20,015,455 | \$ (20,052,204) | \$ 1,951,080 |
| Taxes receivable | 853,102 | 14,377,734 | (14,193,347) | 1,037,489 |
| Due from other governments | 348,297 | 676,282 | (644,436) | 380,143 |
| Total assets | <u>\$ 3,189,228</u> | <u>\$ 35,069,471</u> | <u>\$ (34,889,987)</u> | <u>\$ 3,368,712</u> |
| LIABILITIES | | | | |
| Uncollected taxes | \$ 853,102 | \$ 14,377,734 | \$ (14,193,347) | \$ 1,037,489 |
| Due to others | 2,336,126 | 20,691,737 | (20,696,640) | 2,331,223 |
| Total liabilities | <u>\$ 3,189,228</u> | <u>\$ 35,069,471</u> | <u>\$ (34,889,987)</u> | <u>\$ 3,368,712</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA

**SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2015**

| | <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 | \$ 365,205 | \$ 288,512 | \$ 76,693 | \$ - |
| Assessments | 285,322 | - | 267,603 | 17,719 |
| Surcharges | 70,919 | - | 57,760 | 13,159 |
| Totals | <u>\$ 721,446</u> | <u>\$ 288,512</u> | <u>\$ 402,056</u> | <u>\$ 30,878</u> |
| | | | | |
| Victims' Assistance | | | | |
| Balance for victims' assistance - beginning of year | | | | \$ 81,661 |
| | | | | |
| Amounts allocated for victims' assistance - 7/1/14 - 6/30/15 | | | | |
| Assessments and surcharges | | | 30,878 | |
| Miscellaneous | | | <u>207</u> | 31,085 |
| | | | | |
| Amounts spent for victims' assistance in fiscal year 2015 from assessments and surcharges | | | | |
| Salaries and benefits | | | | (52,446) |
| | | | | |
| General fund subsidy | | | | <u>6,910</u> |
| | | | | |
| Balance for victims' assistance - end of year | | | | <u>\$ 67,210</u> |

EDGEFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2015

| | | |
|--|--------------------|----------------------|
| Assessed Property Valuation | | <u>\$ 76,957,570</u> |
| Debt Limit (8% of assessed value) | | \$ 6,156,606 |
| Debt Applicable to Debt Limit | | |
| Total bonded debt | \$ 1,205,253 | |
| Less debt service fund balance | <u>(2,729,134)</u> | |
| Excess of fund balance over bonded debt | (1,523,881) | |
| Total debt applicable to debt limit | | <u>-</u> |
| Legal Debt Margin | | <u>\$ 6,156,606</u> |

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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, 2015, 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 December 21, 2015. Our report includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 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 preceding paragraph 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 and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2015-001 through 2015-005 to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and responses as item 2015-006 to be a significant deficiency.

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*.

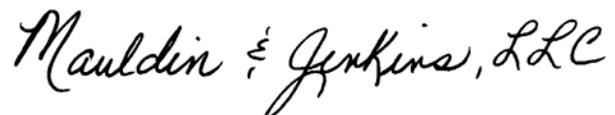
Edgefield County, South Carolina's Responses to Findings

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.

Macon, Georgia
December 21, 2015



EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

| | |
|---|-----------------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: Material weaknesses identified? | <u> X </u> yes ___ no |
| Significant deficiencies identified not considered to be material weaknesses? | <u> X </u> yes ___ no |
| Noncompliance material to financial statements noted? | ___ yes <u> X </u> no |

Federal Awards

There was not an audit of major federal award programs as of June 30, 2015 due to the total amount expended being less than \$500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-001. Management of Accounts Receivable

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: The County did not properly record amounts receivable from multiple sources in the General, Sheriff Grants, Clerk of Court Grants, 911, SRO Grant, County Tire, and Capital Projects funds as of June 30, 2015.

Context: We addressed this matter with County officials, and they were able to determine the amounts receivable that should be recorded in the funds as of June 30, 2015.

Effect: An audit adjustment to increase accounts receivable and increase revenues in an aggregate amount of \$1,388,059 was required as of June 30, 2015.

Cause: The County did not review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-001. Management of Accounts Receivable (Continued)

Recommendation: We recommend the County establish procedures to review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

2015-002. Year-end Closing Procedures

Criteria: Internal controls and effective procedures should be in place to ensure that the audit adjustments are posted to the County's accounting system and that balances are properly rolled forward to the subsequent fiscal year.

Condition: The County did not have sufficient controls and procedures in place to ensure the accuracy of the beginning balances of items requiring accrual which led to inconsistencies in the reported fund balances reported in the General, Assistant Solicitor, Solicitor, Industrial Development, Road Fee, User Fee, 911, Victim's Bill of Rights, Pre-Trial Prevention, EMS, SRO Grant, and Recreation funds and the Tri-County Solid Waste Authority.

Context: We addressed this matter with County officials, and they were able to determine the amounts of prior year accruals not reflected in the accounting records as of June 30, 2015.

Effect: Aggregate audit adjustments of \$419,045 in the General, Assistant Solicitor, Solicitor, Industrial Development, Road Fee, User Fee, 911, Victim's Bill of Rights, Pre-Trial Prevention, EMS, SRO Grant, and Recreation funds to adjust fund balance and \$297,570 for the Tri-County Solid Waste Authority to adjust net position to reflect beginning balances at July 1, 2014 were required as of June 30, 2015.

Cause: See Condition above.

Recommendation: We recommend the County implement procedures to ensure that all audit adjustments are posted to the County's accounting system and beginning balances are properly reflected. Additionally, we recommend the Authority implement procedures to ensure that all audit adjustments are posted to the County's accounting system and beginning balances are properly reflected in the system.

Views of Responsible Officials and Planned Corrective Action: We concur. We will ensure all audit adjustments are properly reflected in the County's accounting system and beginning balances are properly reflected.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-003. Management of Accrued Liabilities

Criteria: Generally accepted accounting principles require the reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of June 30, 2015 as it relates to accrued salaries and wages as well as other payroll accrual items in the General, Assistant Solicitor, Solicitor, Road Fee, User Fee, 911, Victim's Bill of Rights, Pre-Trial Prevention, EMS, SRO Grant, Recreation, and Criminal Violence funds.

Context: We addressed this matter with County officials, and they were able to determine the amounts of accrued liabilities that should be recorded in these funds as of June 30, 2015.

Effect: An audit adjustment to increase accrued liabilities and increase expenditures in an aggregate amount of \$367,343 was required as of June 30, 2015.

Cause: Reconciliations of accrued liabilities are not being performed on an annual basis.

Recommendation: We recommend the County implement procedures to reconcile all accrued liability accounts to the general ledger on an annual basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile all accrued liability accounts to the general ledger on an annual basis.

2015-004. Improper Reporting of Expenditures

Criteria: Governmental accounting standards require debt service funds to be used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Condition: The County did not properly address the above criteria as of June 30, 2015 as it relates to the proper reporting of capital outlay expenditures in the County's funds. The County reported capital outlay expenditures in the Debt Service fund.

Context: We addressed this matter with County officials, and they were able to determine the amounts of capital outlay expenditures recorded in the Debt Service fund that should be recorded in the County's Capital Projects fund as of June 30, 2015.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-004. Improper Reporting of Expenditures (Continued)

Effect: An audit adjustment to decrease expenditures and increase interfund transfers to the Capital Projects fund in the Debt Service fund and increase expenditures and increase interfund transfers from the Debt Service fund in the amount of \$395,185 was required as of June 30, 2015.

Cause: The proper determination of the appropriate reporting of capital outlay expenditures in accordance with GASB Statement No. 54 was not performed.

Recommendation: We recommend the County implement procedures to properly determine that expenditures are reported appropriately.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to properly determine that expenditures are reported appropriately.

2015-005. Management of Capital Assets

Criteria: Generally accepted accounting principles require items purchased with a measurable future economic value to be recorded as capital assets and depreciated over their useful life.

Condition: Capital assets were improperly reported as it relates to the Tri-County Solid Waste Authority. Also, all capital asset activity was not recorded in the County's capital asset accounting system as it relates to governmental activities.

Context: We addressed this matter with County officials, and they were able to determine the amounts of capital assets that should be capitalized as of June 30, 2015.

Effect: An audit adjustment to increase capital assets and decrease expenditures in the amount of \$262,796 was required for the Tri-County Solid Waste Authority as of June 30, 2015. Additionally, infrastructure asset additions in the amount of \$434,300 were required to be recorded in the County's capital asset accounting system as of June 30, 2015.

Cause: Capital asset activity was not properly reconciled in a timely manner.

EDGEFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-005. Management of Capital Assets (Continued)

Recommendation: We recommend the County implement procedures to ensure a proper reconciliation of capital asset activity is performed on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile all capital asset activity to ensure all activity is reflected on a timely basis.

2015-006. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties among the functions of payroll processing, maintaining personnel files, performing human resources functions and making personnel changes in the payroll system does not exist.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the lack of a properly developed integrated work plan with appropriate controls and an improper allocation of available resources.

Recommendation: The duties of processing payroll, maintaining personnel files, performing human resources functions and making personnel changes in the payroll system should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We concur. The County is in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among processing payroll, maintaining personnel files, performing human resources functions and making personnel changes in the payroll system to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

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, 2015

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.

Status: Resolved

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.

Status: Partially Resolved. See Finding 2015-002.

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.

Status: Resolved.

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