

ABBEVILLE COUNTY, SOUTH CAROLINA

**Report on Financial Statements
For the Year Ended June 30, 2011**

COUNTY OF ABBEVILLE, SOUTH CAROLINA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
List of Principal Officials	1
FINANCIAL SECTION	
Independent Auditors' Report	2-3
Management's Discussion and Analysis	4-13
General Purpose Financial Statements:	
Exhibit A-1 - Statement of Net Assets	14
Exhibit A-2 - Statement of Activities	15
Exhibit A-3 - Balance Sheet - Governmental Funds	16
Exhibit A-4 - Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Exhibit A-5 - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Exhibit A-6 - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Exhibit A-7 - Statement of Net Assets - Enterprise Fund - Landfill	20
Exhibit A-8 - Statement of Revenues, Expenses, and Changes in Fund Net Assets - Enterprise Fund - Landfill	21
Exhibit A-9 - Statement of Cash Flows - Enterprise Fund - Landfill	22
Exhibit A-10 - Statement of Fiduciary Net Assets - Agency Funds	23
Notes to Financial Statements	24-49

COUNTY OF ABBEVILLE, SOUTH CAROLINA
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION, Continued	
Required Supplementary Information:	
General Fund:	
Schedule A-1 - Balance Sheet	50
Schedule B-1 - Statement of Revenues and Expenditures - Budget and Actual	51-54
Special Revenue Major Funds: Schedule of Revenues and Expenditures - Budget and Actual	
Schedule B-2 - Fire Commission	55
Schedule B-3 - C-Funds	56
Schedule B-4 - Solid Waste	57
Schedule B-5 - E-911	58
Schedule B-6 - Public Safety	59
Nonmajor Governmental Funds:	
Schedule B-7 - Combining Balance Sheet	60
Schedule B-8 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	61
Nonmajor Special Revenue Funds:	
Schedule B-9 - Combining Balance Sheet	62-63
Schedule B-10 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64-66
Nonmajor Debt Service Funds:	
Schedule B-11 - Combining Balance Sheet	67
Schedule B-12 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68
Other Required Supplementary Information	
Schedule B-13 - Clerk of Court Fees and Fines-Unaudited	69
Schedule B-14 - Magistrate Fees and Fines	70
Other Supplementary Information	
Schedule B-15 - Abbeville County Library Schedule of Revenues and Expenditures	71

INTRODUCTORY SECTION

COUNTY OF ABBEVILLE, SOUTH CAROLINA

List of Principal Officials

June 30, 2011

Members of County Council

Robert B. McClain
Don Campbell
Charlie Stone
John T. Calhoun
Claude Thomas
William C. Norris
Oscar A. Klugh

Chairman - District Seven
Vice Chairman - District Six
Councilman - District One
Councilman - District Two
Councilman - District Three
Councilman - District Four
Councilman - District Five

Lynn Sopolosky
Barry Devore
Judy F. Scott
B.J. Johnson
Barry Devore
Lee Roper

Clerk of Court
Interim County Director
County Treasurer
County Auditor
Finance Director
County Attorney

FINANCIAL SECTION

Independent Auditors' Report

The Honorable Chairman
and Members of the County Council
Abbeville, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Abbeville County, South Carolina, as of and for the year ended June 30, 2011 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinion on these financial statements based on our audit.

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

We were not able to satisfy ourselves with respect to the monies collected and submitted on the Schedule of Clerk of Court Fees and Fines.

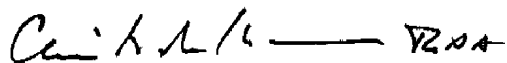
In our opinion, except for the effects on the financial statements of the issue described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Abbeville County, South Carolina, as of June 30, 2011 and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for the fiscal year ended June 30, 2011.

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2011, on our consideration of the Abbeville County'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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents, 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 State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as a whole. The combining and individual nonmajor fund financial statements, other required supplementary information and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The other required supplementary information – Clerk of Court Fees and Fines has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it. The other required supplementary information – Magistrate Fees and Fines has been subjected to the auditing procedures applied to 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The other supplementary information has been subjected to the auditing procedures applied to 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards accepted in the United States of America., In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



December 19, 2011

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

Our discussion and analysis of Abbeville County's financial performance provides an overview of the county's financial activities for the fiscal year ending June 30, 2011. Please review in conjunction with the transmittal letter and the county's financial statements.

REVIEWING THE ANNUAL REPORT

The annual report covers multiple financial statements. The Statement of Net Assets and the Statement of Activities supply data about the activities of the county as a whole and provide information regarding the county's finances. For government activities, these statements provide long-term and short-term information about the county's overall status. Financial reporting is similar to that found in the private sector with its basis in full accrual accounting. Fund financial statements show county operations in more detail than government-wide statements, as they provide information about the county's most important funds.

FINANCIAL HIGHLIGHTS

Due to this year's operations, the county's net assets are as follows: Net assets of business-type activities were \$2,297.8 thousand and net assets of governmental activities were \$15,707.6 thousand.

- The current year's expense total was \$12,183.7 thousand as compared to the \$12,703.6 thousand generated in fees and charges, grants, general revenues, and taxes for governmental programs (before extraordinary items). In the previous year, expenses were \$12,031.6 thousand as compared to the \$12,986.7 thousand generated in tax and other revenues for governmental programs.
- For business-type activities, county revenues were \$1,048.6 thousand. Expenses were \$901.4 thousand.
- The annual cost of all county programs was \$13,085.1 thousand. The previous year's cost was \$12,868.5 thousand.

After analyzing the expenses compared to revenues, it can be determined that the County's governmental activities generated \$507.1 thousand more than it spent.

The \$507.1 thousand net difference was a decrease from last year's (\$955.1) thousand. The Business type activities realized an \$147.2 net difference due to it's \$1,048.6 thousand in revenues compared to the \$901.4 thousand in expenses.

When all funds are combined, the total primary government showed an increase in net assets by \$654.3 thousand.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

THE COUNTY AS A WHOLE ANALYSIS

Because the Statement of Net Assets and the Statement of Activities provide facts about the county as a whole, the statements can help determine if a county's financial condition has improved or deteriorated as a result of the year's activities. All assets and liabilities are included in the statements using the accrual basis of accounting. The accrual method is comparable to the accounting used by most private corporations. All current year revenues and expenses are included. It does not matter when cash is paid or received.

These statements give an account of the county's net assets and any changes in those assets. However, to truly judge the condition of the county, some non-financial factors, such as diversification of the taxpayer base or the condition of the county's infrastructure, must be considered in addition to the financial information provided in this report. The Statement of Net Assets and the Statement of Activities divide the county into two types of activities:

- 1) **Governmental activities:** The County's basic services are accounted for in this section, including public safety, fire, public works, parks departments and general administration. Property taxes, franchise fees, and state and federal grants finance the majority of these activities.
- 2) **Business-type activities:** These activities are reported in the fund financial statements and generally report services for which the county charges customers a fee. There are two kinds of Business-type activities. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as Business-type activities in the government-wide statements. Services are provided to customers external to the county organization such as water utilities. Internal service funds provide services and charge fees to customers within the county organization such as fleet services (maintenance and repair of vehicles) and the print shop (mail and printing services for county departments). Because the county's internal service funds primarily serve governmental functions, they are included within the Governmental activities of the government-wide financial statements.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

DETAILING THE MOST IMPORTANT FUNDS

The fund financial statements provide detailed information about the most important funds of the county. Certain funds are mandated by State law and by bond agreements. Other funds are established to manage money, meet legal requirements or for certain taxes or grants.

- Government funds: Basic services are reported in government funds. Government fund financial statements detail how money flows in and out of the funds and reports the balances left at year-end that are on hand for disbursement. Government funds are reported using an accounting method called modified accrual accounting. This method measures cash and financial assets that can easily be converted to cash. The governmental fund accountability focuses on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the next term.

Budgetary comparison statements are included in the basic financial statements for the general fund and major revenue fund. These statements and schedules demonstrate compliance within the county adopted and final revised budget.

- Proprietary funds: Proprietary funds are those the county charges for services it provides, both to county units and outside customers. Proprietary funds are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. The county's enterprise funds, a component of proprietary funds, are the same as the business-type activities we report in the government-wide statements, but they give more detailed information such as cash flow. Another component of proprietary funds are internal service funds. Internal service funds cover activities that provide supplies and services for county programs.

COUNTY SERVING AS TRUSTEE

Due to trust arrangements, the county is often accountable for assets that can only be used for trust beneficiaries. All of these trustee proceedings are detailed in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets, if required. Because the county cannot use these assets to finance its operations, these activities are not included in other financial statements. However, the county must be certain the assets detailed in these funds are used for their intended purposes.

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is necessary for a full understanding of the data provided in the accompanying financial statements.

OTHER INFORMATION

In addition to the financial statements and notes, this report contains supplementary information and details of the accompanying financial statements.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and Other Assets:	9,926.4	6,002.9	3,799.5	3,499.8	13,725.9	9,502.7
Capital Assets:	14,872.9	14,932.5	1,012.4	1,087.2	15,885.3	16,019.7
Total Assets	24,799.3	20,935.4	4,811.9	4,587.0	29,611.2	25,522.4
Long-Term Liabilities:	7,568.0	3,970.2	2,477.7	2,404.3	10,045.7	6,374.5
Other Liabilities:	1,523.7	1,764.7	36.4	32.0	1,560.1	1,796.7
Total Liabilities	9,091.7	5,734.9	2,514.1	2,436.3	11,605.8	8,171.2
Net Assets:						
Invested in Capital Assets, Net of Related Debt:	11,819.1	11,285.4	893.7	914.4	12,712.8	12,199.8
Restricted:	3,075.1	2,837.6	-	-	3,075.1	2,837.6
Unrestricted (Deficit)	813.4	1,077.5	1,404.1	1,236.3	2,217.5	2,313.8
Total Net Assets	15,707.6	15,200.5	2,297.8	2,150.7	18,005.4	17,351.2

COUNTY AS A WHOLE

The county's combined net assets from the previous year were \$17,351.2 thousand as compared to \$18,005.4 thousand this year. However, net assets and expenses from governmental and business-type activities must be reviewed separately. Table 1 focuses on the net assets and Table 2 focuses on changes in the net assets of the county's governmental and business-type activities.

The county's net assets for governmental activities were \$15,707.6 thousand this year as compared to \$15,200.5 last year. Unrestricted net assets were \$2,313.8 thousand last year as compared to \$2,217.5 thousand this year. Unrestricted net assets are those that can be used to finance every-day operations without restrictions set by legislation, debt covenants, or other legal regulations.

The net assets of the county's business-type activities were \$2,297.8 thousand this year as compared to \$2,150.7 thousand last year.

County revenues (excluding extraordinary items) for the current year were \$13,752.2 thousand as compared to \$14,086.1 thousand in the previous year. The total yearly cost of all programs and services was \$13,085.1 thousand as compared to \$12,868.6 thousand in the previous year.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

Table 2
Changes in Net Assets
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>
Revenues						
Program Revenues						
Restricted						
Charges for Services	2,344.3	3,600.0	967.3	947.6	3,311.6	4,547.6
Restricted Operating Grants	779.8	826.2	-	-	779.8	826.2
Restricted Capital Grants	772.9	1,040.4	-	-	772.9	1,040.4
Restricted Other	-	-	-	-	-	-
General Revenue						
Property Taxes	6,861.5	5,623.7	-	-	6,861.5	5,623.7
Other Taxes	499.1	425.2	-	-	499.1	425.2
Interest & Investment Income	51.9	19.1	54.0	120.6	105.9	139.7
Other General Revenues	1,394.1	1,452.1	27.3	31.2	1,421.4	1,483.3
Total Revenues	12,703.6	12,986.7	1,048.6	1,099.4	13,752.2	14,086.1
Program Expenses						
General Government	2,213.0	2,223.2	-	-	2,213.0	2,223.2
Public Safety	3,460.4	3,548.2	-	-	3,460.4	3,548.2
Roads and Bridges	1,038.6	852.2	901.4	837.0	1,940.0	1,689.2
Solid Waste	412.2	374.2	-	-	412.2	374.2
Health and Welfare	1,967.4	2,186.6	-	-	1,967.4	2,186.6
Culture and Recreation	164.7	111.2	-	-	164.7	111.2
Non-Departmental	2,355.0	2,267.8	-	-	2,355.0	2,267.8
Interest on Long-Term Debt	294.0	172.1	-	-	294.0	172.1
Other Expenses	278.4	296.1	-	-	278.4	296.1
Total Expenses	12,183.7	12,031.6	901.4	837.0	13,085.1	12,868.6
Excess (Deficiency) Before Extraordinary Items and Transfers:	519.9	955.1	147.2	262.4	667.1	1,217.5
Extraordinary Items	-	-	-	-	-	-
Transfers	(12.8)	-	-	-	(12.8)	-
Increase (Decrease) in Net Assets	507.1	955.1	147.2	262.4	654.3	1,217.5

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

GOVERNMENTAL ACTIVITIES

This year's governmental activities revenues were \$12,703.6 thousand as compared to \$12,986.7 thousand last year. The year's governmental activities cost was \$12,183.7 thousand as compared to \$13,031.6 thousand in the previous year.

The County's total net assets for all funds increased by \$654.3 thousand. The Business type activities saw a total increase in net assets of \$147.2 thousand due to the County's ability to use onsite materials for landfill cover rather than purchasing and hauling the material, creating an ability to save expenses.

In addition to this \$147.2 thousand was an increase in the governmental activities net assets due to reductions in expenses in general government (\$10.0 thousand), and health and welfare (\$87.8 thousand), as well as to the issuance of Capital Leases and Facilities Corporation Bonds (\$4,563.0 thousand).

In the prior year, the governmental activities realized a net positive comparison by generating \$955.1 thousand more in revenues than expenses. The current year continued this trend because the governmental funds generated \$12,703.6 in revenue which is \$519.9 thousand more than expenses at \$12,183.7.

Governmental activities revenues decreased by \$283.1 from last year, while expenses increased from prior year by \$152.1 thousand. Comparing these numbers gives the governmental activities a net decrease of revenue over expenses from prior year to current by \$435.2 thousand.

Table 3 details the cost of the county's major programs as well as each program's net cost (total cost less revenues generated by the program). The net cost indicates the financial burden that was shifted to the county's taxpayers by each of these programs.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

Table 3
Governmental Activities
(In Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>
General Government	2,213.0	2,223.2	1,316.4	442.6
Public Safety	3,460.4	3,548.2	1,699.0	1,263.1
Roads and Bridges	1,038.6	852.2	261.1	(379.2)
Solid Waste	412.2	374.2	412.2	320.8
Health and Welfare	1,967.4	2,186.6	1,729.0	2,181.8
Culture and Recreation	164.7	111.2	(58.4)	24.5
Non-Departmental	2,355.0	2,267.8	2,355.0	2,243.1
Interest on Long-Term Debt	294.0	172.1	294.0	172.1
Other	278.4	296.1	278.4	296.1
Totals	<u>12,183.7</u>	<u>12,031.6</u>	<u>8,286.7</u>	<u>6,564.9</u>

BUSINESS-TYPE ACTIVITIES

This year's Business-type activities revenues (see Table 2) were \$1,048.6 thousand as compared to \$1,099.4 thousand last year. This year's expenses were \$901.4 thousand as compared to \$837.0 thousand in the previous year. These figures are somewhat due to these reasons:

Business type activities expenditures showed an increase from prior year to current year. This was due primarily to Landfill Capacity usage and a corresponding recognition of closure and post-closure care costs. Another difference exists in the decrease in investment income from \$120.6 thousand last year to \$54.0 in current year.

GENERAL FUND BUDGETARY STATEMENTS

The County Council revisits the budget several times during the year. The current year's budgets focus on general funds, major funds and on availability of fund resources.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

COUNTY FUNDS

At year end the county reported a government funds balance of \$7,863.3 thousand as compared to \$3,621.9 thousand in the previous year. These figures are somewhat due to these reasons:

The County's increase in governmental fund balance was attributed to the issuance of installment purchase debt of \$4,250.0 thousand which had not all been spent on the designated projects by fiscal year end.

If we take out the two capital projects funds where the debt proceeds are held, the County's other governmental funds had a combined net increase in fund balance of \$73.1 thousand.

CAPITAL ASSETS

Table 4
Capital Assets at Year-End
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Land	2,046.2	2,046.2	166.2	166.2	2,212.4	2,212.4
Construction in Progress	222.5	1,720.2	-	-	222.5	1,720.2
Buildings & Improvements	7,646.1	6,406.9	242.1	242.1	7,888.2	6,649.0
Equipment	5,936.4	5,635.1	1,790.0	1,790.0	7,726.4	7,425.1
Infrastructure	6,098.6	5,703.7	-	-	6,098.6	5,703.7
Landfill	-	-	2,196.3	2,196.3	2,196.3	2,196.3
Other	1,102.9	681.5	-	-	1,102.9	681.5
Totals	<u>23,052.7</u>	<u>22,193.6</u>	<u>4,394.6</u>	<u>4,394.6</u>	<u>27,447.3</u>	<u>26,588.2</u>

At the close of the year, the county had invested \$27,447.3 thousand in capital assets such as land, buildings and improvements, equipment or infrastructure (see Table 4). \$26,588.2 thousand was invested in similar assets last year.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

The current year's chief capital asset additions included:

\$73.0 thousand worth of improvements to a spec. building in a County industrial park.

\$15.3 thousand for improvements to Gable Drive for repaving.

\$170.8 thousand for the improvements to Finley Road for repaving.

\$147.8 thousand for land improvements at the Upper Abbeville County Recreation Complex.

\$119.7 thousand for the purchase of a vehicles and equipment for public safety.

\$227.0 thousand for E-911 system improvements.

Table 5
Outstanding Debt at Year-End
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
General Obligation Bonds (Backed by the County)	1,337.7	1,621.1	-	-	1,337.7	1,621.0
Revenue Bonds and Notes (Backed by Specific Tax and Fee Revenues)	630.7	750.0	-	-	630.7	750.0
Facilities Corporation Bonds	4,084.2	0.0	-	-	4,084.2	-
Other Bonds or Outstanding Obligations	<u>1,171.4</u>	<u>1,276.2</u>	<u>2,447.7</u>	<u>2,404.3</u>	<u>3,649.1</u>	<u>3,680.5</u>
Totals	<u>7,224.0</u>	<u>3,647.3</u>	<u>2,447.7</u>	<u>2,404.3</u>	<u>9,701.7</u>	<u>6,051.5</u>

DEBT MANAGEMENT

At the close of the year, the county had \$9,701.7 thousand in outstanding bonds and notes as compared to \$6,051.5 thousand in the previous year (see table 5).

The County's total outstanding Debt increased by an estimated \$3,650.2 thousand. This includes issuance of \$4,250,000 in Facilities Corporation Bonds and Capital Leases totaling \$312,986, while paying down the County's debt by approximately \$820,364.

Management's Discussion and Analysis Financial Report

Abbeville County

June 30, 2011

ECONOMIC ISSUES/UPCOMING YEARLY BUDGETS

County public officials considered many issues when establishing the upcoming year's budget, tax rates, and fees.

County Council anticipated additional State Budget cuts when developing it's FY 2011 Budget. Additional transport crews and an anticipated increase in EMS billing revenues were factored into the budget with projections of reinstating all eliminated and reduced positions from the prior year.

A slowing economy means the County's budgets for this and upcoming years will be negatively affected providing for no growth in expenditures. This lack of budget growth prevented any increases in typical operational expenditures, including cost of living raises for employees.

CONTACT INFORMATION

This report has been created to give our citizens, taxpayers, customers, investors and creditors a summary of county finances and to show how its revenues are used. If you have any questions regarding this report, or if you need additional financial information, please contact:

Barry Devore
PO Box 579
Abbeville, South Carolina 29620
Phone: (864) 366-6690
Fax: (864) 366-4595
bdevore@abbevillecountysc.com

ABBEVILLE COUNTY, SOUTH CAROLINA

Statement of Net Assets

June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 8,588,626	992,091	9,580,717	35,134
Investments	-	1,651,099	1,651,099	-
Receivables:				
Taxes, Net	163,435	-	163,435	2,157
Accounts, Net	516,205	74,287	590,492	-
Intergovernmental	619,999	74,852	694,851	-
Due from Other Funds	-	-	-	1,794
Prepaid Expenses	15,788	-	15,788	48
Inventories	22,375	-	22,375	-
Capital Assets	23,052,672	4,394,636	27,447,308	1,005,860
Accumulated Depreciation	(8,179,756)	(3,382,268)	(11,562,024)	(17,406)
Total Capital Assets Net of Depreciation	14,872,916	1,012,368	15,885,284	988,454
Total Assets	24,799,344	3,804,697	28,604,041	1,027,587
LIABILITIES				
Accounts Payable	216,369	21,567	237,936	2,142
Accrued Expenses	274,047	14,807	288,854	11,015
Due to Others	950,887	(1,007,229)	(56,342)	(5,853)
Accrued Interest Payable	82,458	-	82,458	-
Landfill Closure and Post Closure Liability	-	2,359,031	2,359,031	-
Long-term Liabilities:				
Due Within One Year	920,218	58,456	978,674	-
Due in More Than One Year	6,647,743	60,239	6,707,982	-
Total Liabilities	9,091,722	1,506,871	10,598,593	7,304
NET ASSETS				
Invested in Capital Assets Net of Related Debt	11,819,071	893,673	12,712,744	988,454
Restricted For:				
Debt Service	64,446	-	64,446	-
Infrastructure	1,311,270	-	1,311,270	-
Various Purposes	1,699,421	-	1,699,421	-
Unrestricted (Deficit)	813,414	1,404,153	2,217,567	31,829
Total Net Assets	\$ 15,707,622	2,297,826	18,005,448	1,020,283

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

ABBEVILLE COUNTY, SOUTH CAROLINA
 Statement of Activities
 For the Year Ended June 30, 2011

	Expenses	Program Revenues			Primary Government		Total	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activity		
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	\$ 2,212,970	846,647	49,919	-	(1,316,404)	-	(1,316,404)	-
Public Safety	3,460,361	1,497,666	263,731	-	(1,698,964)	-	(1,698,964)	-
Roads and Bridges	1,038,636	-	4,582	772,922	(261,132)	-	(261,132)	-
Solid Waste	412,159	-	-	-	(412,159)	-	(412,159)	-
Health and Welfare	1,967,352	-	238,389	-	(1,728,963)	-	(1,728,963)	-
Culture and Recreation	164,719	-	223,134	-	58,415	-	58,415	-
Non-Departmental	2,354,972	-	-	-	(2,354,972)	-	(2,354,972)	-
Lump Sum Appropriation	278,475	-	-	-	(278,475)	-	(278,475)	-
Interest and Fiscal Charges	294,036	-	-	-	(294,036)	-	(294,036)	-
Total Governmental Activities	12,183,680	2,344,313	779,755	772,922	(8,286,690)	-	(8,286,690)	-
Business-type Activity								
Landfill	901,443	967,257	-	-	-	65,814	65,814	-
Total Primary Government	\$ 13,085,123	3,311,570	779,755	772,922	(8,286,690)	65,814	(8,220,876)	-
COMPONENT UNIT	354,823	-	-	-				(354,823)
		General Revenues						
					\$ 6,861,493	-	6,861,493	191,603
					124,782	-	124,782	-
					374,316	-	374,316	-
					1,311,724	27,310	1,339,034	75,088
					51,918	53,988	105,906	30
					-	-	-	-
					18,654	-	18,654	-
					(12,773)	-	(12,773)	12,773
					63,652	63	63,715	31,215
					<u>8,793,766</u>	<u>81,361</u>	<u>8,875,127</u>	<u>310,709</u>
					507,076	147,175	654,251	(44,114)
					<u>15,200,546</u>	<u>2,150,651</u>	<u>17,351,197</u>	<u>1,064,397</u>
					<u>\$ 15,707,622</u>	<u>2,297,826</u>	<u>18,005,448</u>	<u>1,020,283</u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA
 Balance Sheet
 Governmental Funds
 June 30, 2011

	General	County Admin Building Project	County Library Renovations	Fire Commission	C-Funds	Solid Waste	E-911	Public Safety	Infrastructure Millage	Other Governmental Funds	Total Governmental Funds
Assets											
Cash and Cash Equivalents	\$ 1,638,544	3,195,475	974,689	130,690	65,410	218,489	219,162	159,379	936,775	1,050,013	8,588,626
Receivables:											
Taxes	206,377	-	-	23,462	-	22,447	-	65,467	92	28,975	346,820
Intergovernmental	465,911	-	-	5,956	8,004	5,691	1,593	3,456	682	128,706	619,999
Other	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	72,471	-	-	2,850	-	6,260	-	-	-	-	81,581
Prepaid Expense	15,788	-	-	-	-	-	-	-	-	-	15,788
Inventories	22,375	-	-	-	-	-	-	-	-	-	22,375
Total Assets	2,421,466	3,195,475	974,689	162,958	73,414	252,887	220,755	228,302	937,549	1,207,694	9,675,189
Liabilities											
Accounts Payable	186,510	-	1,856	3,484	8,860	4,697	10,197	-	25	740	216,369
Accrued Liabilities	246,798	-	-	5,588	-	12,183	-	-	-	9,478	274,047
Deferred Revenue	172,950	-	-	19,591	-	18,744	1	54,340	88	23,243	288,957
Due to Other Funds	1,001,794	-	-	-	-	-	-	-	-	30,674	1,032,468
Total Liabilities	1,608,052	-	1,856	28,663	8,860	35,624	10,198	54,340	113	64,135	1,811,841
Fund Balances											
Nonspendable	38,163	-	-	-	-	-	-	-	-	-	38,163
Restricted	-	3,195,475	972,833	134,295	64,554	217,263	210,557	173,962	937,436	769,725	6,676,100
Assigned	-	-	-	-	-	-	-	-	-	373,834	373,834
Unassigned	775,251	-	-	-	-	-	-	-	-	-	775,251
Total Fund Balances	813,414	3,195,475	972,833	134,295	64,554	217,263	210,557	173,962	937,436	1,143,559	7,863,348
Total Liabilities and Fund Balances	\$ 2,421,466	3,195,475	974,689	162,958	73,414	252,887	220,755	228,302	937,549	1,207,694	9,675,189

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

ABBEVILLE COUNTY, SOUTH CAROLINA
 Reconciliation of Total Governmental Fund
 Balances to Net Assets of Governmental Activities
 June 30, 2011

Total Fund Balances - Governmental Funds June 30, 2011	\$ 7,863,348
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Property, Plant and Equipment	23,052,672
Accumulated Depreciation	<u>(8,179,756)</u>
Total Capital Assets	<u>14,872,916</u>
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Property Taxes	105,572
EMS Receivables	<u>516,205</u>
	<u>621,777</u>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
General Obligation Debt	(1,337,688)
Special Source Revenue Debt	(630,693)
Capital Leases	(1,171,396)
Facilities Corporation Bonds, Net	(4,084,232)
Accrued Interest	(82,458)
Compensated Absences	<u>(343,952)</u>
Total Long-term Liabilities	<u>(7,650,419)</u>
Total Net Assets - Governmental Activities, June 30, 2011	<u><u>\$ 15,707,622</u></u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2011

	General	County Admin Building Project	County Library Renovations	Fire Commission	C-Funds	Solid Waste	E-911	Public Safety	Infrastructure Millage	Other Governmental Funds	Total Governmental Funds
REVENUES											
Taxes	\$ 5,288,111	-	-	368,857	-	352,835	-	-	169	495,541	6,505,513
Intergovernmental	1,707,305	-	-	9,506	772,922	8,048	122,050	-	191,277	517,576	3,328,684
Grants & Donations	49,642	-	-	-	-	-	-	-	-	-	49,642
Charges for Services	1,088,777	-	-	-	-	-	-	-	-	-	1,088,777
Rent	43,065	-	-	-	-	-	-	-	-	-	43,065
Fees & Fines	419,748	-	-	-	-	-	124,046	470,385	-	408,401	1,422,580
Licenses and Permits	143,492	-	-	-	-	-	-	-	-	-	143,492
Miscellaneous	43,166	-	14,231	-	-	14,993	-	869	-	28,194	101,453
Investment Income	3,119	46,880	103	76	43	121	136	64	616	804	51,962
Total Revenues	8,786,425	46,880	14,334	378,439	772,965	375,997	246,232	471,318	192,062	1,450,516	12,735,168
EXPENDITURES											
Current											
General Government	2,084,967	-	-	-	-	-	-	-	-	9,122	2,094,089
Public Safety	2,397,278	-	-	251,211	-	-	234,316	191,283	-	166,058	3,240,146
Roads and Bridges	-	-	-	-	318,338	-	-	-	127,363	304,283	749,984
Solid Waste	-	-	-	-	-	338,807	-	-	-	-	338,807
Health and Welfare	1,850,076	-	-	-	-	-	-	-	-	-	1,850,076
Culture and Recreation	164,719	-	-	-	-	-	-	-	-	-	164,719
Non-Departmental	2,034,251	-	-	-	-	-	-	-	-	145,958	2,180,209
Lump Sum Appropriation	-	-	-	59,500	-	-	-	-	-	218,975	278,475
Capital Outlay	-	50,214	16,501	-	446,582	-	227,200	98,986	-	73,050	912,533
Debt Service											
Principal Retirement	119,307	-	-	73,149	-	22,834	-	279,637	-	325,437	820,364
Costs of Issuance	-	165,768	-	-	-	-	-	-	-	-	165,768
Interest and Fiscal Charges	58,897	103,816	-	28,695	-	1,594	-	14,283	-	41,483	248,768
Total Expenditures	8,709,495	319,798	16,501	412,555	764,920	363,235	461,516	584,189	127,363	1,284,366	13,043,938
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,930	(272,918)	(2,167)	(34,116)	8,045	12,762	(215,284)	(112,871)	64,699	166,150	(308,770)
OTHER FINANCING SOURCES (USES)											
Proceeds from Installment Purchase Debt	-	3,275,000	975,000	-	-	-	-	-	-	-	4,250,000
Proceeds from Capital Lease	-	-	-	-	-	-	214,000	98,986	-	-	312,986
Transfers	(47,773)	193,393	-	35,000	-	-	-	-	(193,393)	-	(12,773)
Total Other Financing Sources (Uses)	(47,773)	3,468,393	975,000	35,000	-	-	214,000	98,986	(193,393)	-	4,550,213
Net Change in Fund Balance	29,157	3,195,475	972,833	884	8,045	12,762	(1,284)	(13,885)	(128,694)	166,150	4,241,443
Fund Balance, Beginning	784,257	-	-	133,411	56,509	204,501	211,841	187,847	1,066,130	977,409	3,621,905
Fund Balance, End of Year	\$ 813,414	3,195,475	972,833	134,295	64,554	217,263	210,557	173,962	937,436	1,143,559	7,863,348

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

ABBEVILLE 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 Year Ended June 30, 2011

Total Change in Fund Balances - Total Governmental Funds	<u>\$ 4,241,443</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital Outlay	912,533
Depreciation Expense	<u>(972,145)</u>
Excess of Capital Outlay Over Depreciation Expense	<u>(59,612)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.	
Deferred property tax revenues decreased by this amount this year.	11,802
EMS Accounts Receivable increased by this amount this year.	<u>(43,441)</u>
	<u>(31,639)</u>
Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:	
Facilities Corporation Proceeds	(4,250,000)
Lease Proceeds	<u>(312,986)</u>
	<u>(4,562,986)</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Bond and Note Principal Retirement	402,582
Bond Issuance Costs	165,768
Capital Lease Principal Payments	<u>417,782</u>
	<u>986,132</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	<u>(45,268)</u>
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 absences.	
Accrued Compensated Absences	(20,994)
Book Value of Assets Disposed	-
	<u>(20,994)</u>
Change in Net Assets - Governmental Activities, June 30, 2011	<u>\$ 507,076</u>

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

ABBEVILLE COUNTY, SOUTH CAROLINAStatement of Net Assets
Enterprise Fund - Landfill
June 30, 2011

Assets	<u>Landfill</u>
Cash and Cash Equivalents	\$ 2,643,190
Accounts Receivable, Net	74,852
Property Taxes Receivable	74,287
Due from Other Funds	1,007,229
Capital Assets - Net	<u>1,012,368</u>
 Total Assets	 <u><u>4,811,926</u></u>
 Liabilities and Net Assets	
Liabilities	
Accounts Payable	21,567
Accrued Expenses	14,807
Capital Lease Payable	118,695
Landfill Closure and Post Closure Costs	<u>2,359,031</u>
 Total Liabilities	 <u><u>2,514,100</u></u>
 Net Assets	
Invested in Capital Assets, Net of Related Debt	893,673
Unrestricted	<u>1,404,153</u>
 Total Net Assets	 <u><u>\$ 2,297,826</u></u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Revenue, Expenses and Changes in Fund Net Assets
Enterprise Fund - Landfill
For the Year Ended June 30, 2011

OPERATING REVENUES	
Landfill Fee Assessments	\$ 523,744
Landfill Tickets and Tip Fees	356,339
Intergovernmental	27,310
Recycle Fees	87,174
Other Revenue	<u>63</u>
 Total Operating Revenues	 <u>994,630</u>
OPERATING EXPENSES	
Salaries Personnel Costs	309,359
Cost of Services	356,986
Bad Debt Expense	2,255
Depreciation	74,864
Landfill Closure Cost	<u>152,931</u>
 Total Operating Expenses	 <u>896,395</u>
 Operating Income (Loss)	 <u>98,235</u>
NON OPERATING INCOME (EXPENSE)	
Investment Income	53,988
Interest Expense	<u>(5,048)</u>
 Total Non Operating Income (Expense)	 <u>48,940</u>
 Net Income (Loss)	 147,175
 Operating Transfer Out	 <u>-</u>
	147,175
 NET ASSETS, Beginning of Year	 <u>2,150,651</u>
 NET ASSETS, End of Year	 <u>\$ 2,297,826</u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Cash Flows
Enterprise Fund - Landfill
For the Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 938,282
Cash payments to suppliers for goods and services	(383,369)
Cash payments to employees for services	(308,540)
	<u>246,373</u>
Net Cash Provided by Operating Activities	<u>246,373</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Paid on Capital Lease	(54,106)
Interest Paid	(5,048)
	<u>(59,154)</u>
Net Cash Used For Capital and Related Financing Activities	<u>(59,154)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	53,988
Purchase of Capital Assets	-
Proceeds from Sale of Capital Assets	-
	<u>53,988</u>
Net Cash Provided by Investing Activities	<u>53,988</u>

Net Increase in Cash and Cash Equivalents	241,207
CASH, Beginning of Year	<u>2,401,983</u>
CASH, End of Year	<u><u>\$ 2,643,190</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ 98,235
Depreciation and Amortization Expense	74,864
Increase (Decrease) in Accounts Payable	3,451
(Increase) Decrease in Receivables	(56,348)
(Increase) Decrease in Due from Other Funds	(2,364)
Increase in Prepaid Expenses	150
Increase (Decrease) in Accrued Expenses	819
Increase (Decrease) in Landfill Closure and Post Closure Cost	127,566
	<u>246,373</u>
Net Cash Provided by Operating Activities	<u><u>\$ 246,373</u></u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA

Statement of Fiduciary Net Assets

Agency Funds

June 30, 2011

ASSETS

Cash and Cash Equivalents	\$ 2,385,388
Intergovernmental Receivable	1,341,013
Property Tax Receivable	469,825
Miscellaneous Accounts Receivable	<u>584</u>
 Total Assets	 <u>\$ 4,196,810</u>

LIABILITIES

Accounts Payable	\$ 38,328
Deferred Revenue	382,309
Due To Other Funds	63,989
Funds Held in Trust for Others	1,928,756
Due to Other Taxing Districts	<u>1,783,412</u>
 Total Liabilities	 <u>\$ 4,196,794</u>

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

ABBEVILLE COUNTY, SOUTH CAROLINA

Notes To Financial Statements

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Abbeville operates under a council form of government and provides the following services as authorized by its charter: public safety, road maintenance, health and welfare, culture and recreation, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements include those of the County (the primary government) and its component units. Also, the operational activities of various constitutional officers, judges and other judicial officials are included in the Agency Funds. These include the Clerk of Court, Probate Court, Sheriff and Magistrate Court. In addition, it includes taxes collected by the County on behalf of school districts and towns.

The financial statements of Abbeville County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The component unit discussed below is included in the County's financial reporting entity because of the significance of its operational and financial relationship with the County. In conformity with GAAP, as set forth in Statement of Governmental Accounting Standard No. 14, *The Financial Reporting Entity*, and amended by GASB 39, *Determining Whether Certain Organizations are Component Units*. The financial statements of the component unit have been included as a discretely presented component unit. The component unit column in the combined financial statement includes the financial data from the Abbeville County Library for the year ended June 30, 2011. This unit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Blended Component Unit

Abbeville Public Facilities Corporation (APFC), a not-for-profit organization, was formed on December 22, 2010 under the laws of the State of South Carolina for public benefit purposes, specifically 1) to acquire or lease real and/or personal property and develop, finance, construct, acquire, install and operate certain public facilities to be used by the County and such other projects located in and for the benefit of the County as may be permitted by applicable law; 2) to acquire, by gift, lease or purchase, and to sell, lease, sublease, convey, assign, mortgage, pledge or otherwise encumber any property, real or personal, incidental to carrying out such projects; 3) to finance or refinance the costs of acquiring, constructing and installing such projects by the issuance and sale from time to time by APFC of its installment purchase revenue bonds in one or more series, or such other financing means as may be deemed necessary and desirable by APFC in accordance with applicable law; 4) to convey to the County title and exclusive possession and use of the applicable projects, including any additions to such projects, upon terms agreed upon between the APFC and the County; 5) to carry or engage in any other activities which APFC may deem necessary, proper or convenient in connection with the purposes herein above described; provided, however, that APFC must at all times be operated as a nonprofit corporation as provided in the Nonprofit Corporation Act; and 6) to exercise all the rights, privileges, powers, and immunities available to nonprofit corporations under the laws of the State.

ABBEVILLE COUNTY, SOUTH CAROLINA

Notes To Financial Statements

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Blended Component Unit, Continued

The APFC is governed at a minimum by three person board of directors. One of the directors is the current chairman of the Abbeville County Council and shall serve, ex-officio, as a designated director so long as the person holds such designated office. The other two directors shall be elected by the Board. The number of directors of the APFC board may be increased or decreased, and the positions held by persons comprising directors may be modified, as may be determined from time to time by the unanimous vote of the members of the Board; provided however, in no event will the Board consist of less than three directors. However, in all events, less than 70% of the members of the APFC Board shall be representatives of or controlled by the County. Because the APFC exclusively benefits the County, the APFC financial information is blended with that of the County in these basic financial statements. Separate financial statements for the APFC are not issued.

Discretely Presented Component Unit

Abbeville-County Library - Effective July 1, 2002 the County created a library system separate from Greenwood County, with whom it had operated a regional library for a number of years. The County council appoints the Library's board of directors and passes the Library annual budget as a part of the County budget. The Library's board of directors selects management staff, prepares budgets, and controls all aspects of the operation of the Library. Pursuant to an agreement with the State Library Association, certain grants and other special funding initially provided will diminish over a period of 5 years, and the County will increase its financial participation in the library system. The County supports the Library through an annual millage levy. The County has the right to all Library's surpluses. The Library is reflected in the general ledger as a special revenue fund of the County.

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature, which normally are supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end.

The statement of activities presents a comparison between direct expenses and program revenue for each program or function of the County's governmental activities and business-type activities. 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 of 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 that are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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 and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

The government reports the following major governmental funds:

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

The *infrastructure development millage fund* accounts for funds received from property tax collections, grants and contributions that are restricted to improve and repair the County road systems.

The County reports the following major enterprise fund:

The *landfill fund* accounts for the activities of the County's landfill operations.

ABBEVILLE COUNTY, SOUTH CAROLINA

Notes To Financial Statements, Continued

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Additionally, the government reports the following non-major fund types:

Special revenue funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Agency fund

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

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

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

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

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

MEASUREMENT FOCUS

Government-wide financial statements

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund financial statements

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

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

BASIS OF ACCOUNTING

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

Revenues - Exchange And Non-Exchange Transactions

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

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

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance financial year 2010-2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Investments

Cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. Most short-term cash surpluses are maintained in a cash and investment pool allocated to each fund based on month-end deposit and investment balances. Investments with a readily determinable fair value are stated at fair value in accordance with GASB Statement 31. All other investments are at cost. Our current policy does not utilize amortized cost for any applicable investments.

Statutes established by the State of South Carolina allow the County to invest in the following:

- (1) Obligations of the United States and its agencies.
- (2) General obligations of the State of South Carolina or any of its political units.
- (3) Financial institution deposits to the extent they are insured by the Federal Deposit Insurance Corporation.
- (4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) or (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit so secured, including interest provided, provided however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (5) Repurchase agreements when collateralized by securities as set forth in (1) and (2).
- (6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (a) is limited to obligations described in (1), (2) and (5), and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Investments

Investments are stated at cost or amortized cost. Amortized cost uses the effective interest method to amortize bond premiums/discounts over the period from purchase to maturity.

The County Treasurer co-mingles cash and time deposits of a few of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected on the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average 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 special revenue fund.

For Statement of Cash Flows purposes the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of a fiscal year are reported as "due to/from other funds."

All accounts receivables are shown net of an allowance for doubtful accounts. Accounts receivable in excess of 90 days comprise the trade accounts receivable allowance. Real property taxes receivable is the actual property taxes levied and still outstanding after the fiscal year end.

Intergovernmental Receivable

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

Property Tax Calendar

Property taxes are levied on real properties owned on the preceding December 31, of each County fiscal year ended June 30. Liens attach to the property at the time the taxes are levied which is usually in October of each year ended June 30.

These taxes are due without penalty until January 15. Penalties are added to taxes 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 plus collection costs

Assessed values for real estate are established annually by the County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property.

Current year real estate taxes become delinquent March 17. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the month.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property Tax Calendar

Taxes uncollected at June 30, 2011, are not considered available to liquidate current period liabilities and, accordingly, the County has provided deferred revenue equal to the delinquent accounts at fiscal year-end.

The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires. The County bills and collects its own property taxes. The County also bills and collects property taxes for the Special Service Districts, School Districts and Municipalities. Property tax revenue is recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. An allowance is provided for an estimated amount of taxes billed, which may ultimately prove to be uncollectible. Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures.

The County follows Governmental Accounting Standards Board (GASB) Statement Number 33, Accounting and Financial Reporting for Non-exchange Transactions to account for non-exchange revenues, which primarily consist of imposed non-exchange revenues or ad valorem taxes. Under the standard, a receivable is recorded when an enforceable legal claim for property taxes has arisen, and revenue is recognized when the resources are available.

Inventories

Inventories are determined by actual physical count and are valued at moving average cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption basis).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three or more 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 for the land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation for both governmental and business-type activities are computed using the straight-line method over the following useful lives.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets, Continued

Generally, estimated useful lives for governmental and business-type assets are as follows:

Governmental Assets	Estimated Useful Lives
Land Improvements	10 to 50 Years
Buildings	20 to 50 Years
Building Improvements	5 to 50 Years
Vehicles	5 to 20 Years
Furniture and Equipment	3 to 10 Years
Machinery and Equipment	5 to 10 Years
Infrastructure	5 to 50 Years
Business-Type Assets	Estimated Useful Lives
Buildings	40 Years
Land Improvements	20 Years
Subtitle D Landfill	16 Years
C & D Landfill	20 Years
Equipment	5 Years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since it is the County's policy to record the cost of sick leave only when it is used. For governmental fund types, vacation pay is recorded in the general long-term debt account group.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has been reported as an expenditure and a fund liability of the governmental fund that will pay it in accordance with generally accepted accounting principles.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences, Continued

Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No liability is recorded for nonvesting accumulating rights or sick pay benefits.

Employees accrue different amounts of vacation hours each month, depending on the number of years of service with the County. They are as follows: length of service is 0 -1 years, accrue 3.75 hours/month; length of service is 1-5 years, accrue 7.5 hours/month; length of service is 5-10 years, accrue 11.25 hours/month, length of service is 10-20 years, accrue 15 hours and; length of service is 20 or more years, accrue 18.75 hours/month of vacation pay per month. Employees may carry over from one calendar year to another a maximum carryover equivalent to two weeks of vacation benefits. For all County employees, no more than 720 hours may be carried over from one calendar year to another for sick leave benefits.

Net Assets

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

Fund Equity

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2011, fund balances for government funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Council. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the County’s Council or (b) a body (for example: a budget or finance committee) or official to which the County’s Council had delegated the authority to assign amounts to be used for specific purposes.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Equity, Continued

- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Fund balances for all major and nonmajor governmental funds as of June 30, 2011, were distributed as follows:

	General Fund	Other Major Funds	Nonmajor Funds	Total
Nonspendable:				
Inventory	\$ 15,788	-	-	\$ 15,788
Prepaid Expense	22,375	-	-	22,375
Subtotal	<u>38,163</u>	<u>-</u>	<u>-</u>	<u>38,163</u>
Restricted For:				
Debt Service	-	-	64,446	64,446
Family Court	-	-	198,079	198,079
Higher Education	-	-	55,173	55,173
Infrastructure	-	937,436	-	937,436
Public Facilities	-	4,168,308	123,515	4,291,823
Public Safety	-	518,814	45,649	564,463
Public Sanitation	-	217,263	-	217,263
Public Welfare	-	-	1,540	1,540
Road Maintenance	-	-	210,549	210,549
Road Projects	-	64,554	-	64,554
Tourism	-	-	97,142	97,142
Victim Service	-	-	(26,368)	(26,368)
Subtotal	<u>-</u>	<u>5,906,375</u>	<u>769,725</u>	<u>6,676,100</u>
Committed To:				
Infrastructure	-	-	373,834	373,834
Subtotal	<u>-</u>	<u>-</u>	<u>373,834</u>	<u>373,834</u>
Unassigned	<u>775,251</u>	<u>-</u>	<u>-</u>	<u>775,251</u>
TOTAL	<u>\$ 813,414</u>	<u>5,906,375</u>	<u>1,143,559</u>	<u>\$ 7,863,348</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Non-recurring or non-routine permanent transfer of equity are reported as residual equity transfer. All other interfund transfers are reported as operating transfer.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates. The estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Annual budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except Capital Projects Funds. Capital Projects Funds adopt project-length budgets. Annual Budgets are also adopted for the proprietary fund and the Economic Development Board, which is accounted for in the Agency Fund.

The budget calendar is as follows:

First Reading	First Meeting in May
Second Reading	First Meeting in June
Public Hearing	First Meeting in June
Third Reading	First Meeting in June

Annual appropriations lapse at fiscal year end.

On or before March 1, heads of County departments and agencies submit requests for appropriation to the County Director who compiles the requests. After adjustments, the County Director submits a comprehensive budget request document to County Council. The County Council conducts workshops and public hearings on the proposed budget and adopts the budget not later than June 30.

The appropriated budget is prepared by fund, function and activity. The County Director is authorized to transfer funds or any portion there of from any department, activity or purpose to another department, activity or purpose, as may be needed to facilitate the spending plan of the County in the best interest of the County. The County Director is also authorized to amend the budget to reflect grants received during the year and to carry over remaining balances of grants or one-time state appropriations for special projects, provided that matching local funds as required have been appropriated. At any time in which the total appropriations will be exceeded, County Council must take a vote. Therefore, total appropriations are the legal level of control. There is no supplemental appropriation for the fiscal year ended June 30, 2011.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Encumbrances are included in budgetary expenditures. Encumbered appropriations carryforward and a reserve of fund balance is established to offset the expenditure.

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

At June 30, 2011 the Victims Services Special Revenue Fund reflected a fund balance deficit of \$26,368.

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At June 30, 2011, the carrying amount of the County's deposits was \$11,966,105 and the bank balance was \$11,928,274. 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.

Investments – Proprietary Fund

As of June 30, 2011, the County had the following investments in its Landfill Proprietary Fund:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>5 - 10</u>
US Treasury Obligations	\$ 966,795	125,249	651,167	190,379
US Government Agency Obligations	684,304	50,247	160,372	473,685
Cash Equivalents	67,263	67,263	-	-
	<u>\$ 1,718,362</u>	<u>242,759</u>	<u>811,539</u>	<u>664,064</u>

Interest rate risk

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

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. The Commission's investments in U.S. Treasury Obligations and Government Agency Obligations and Mutual Funds were rated AAA by Moody's Investors Services.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2011, no single issuer investment exceeded 5% of total investments

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

Concentration of Credit Risk, Continued

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net assets and the statement of fiduciary net assets is as follows:

Reported Value of Deposits	\$	10,246,143
Fair Value of Investments		1,718,362
Cash on Hand		1,600
Total	\$	<u>11,966,105</u>
Cash and Cash Equivalents		
Primary Government	\$	9,580,717
Fiduciary/Agency		2,385,388
Total	\$	<u>11,966,105</u>

The deposits for the Component Unit at June 30, 2011, were \$35,134. Of these, \$-0- was exposed to custodial credit risk as uninsured and uncollateralized, and \$35,134 was insured and guaranteed by FDIC.

NOTE 4 - RECEIVABLES

Receivables as of year-end for the government-wide statement of Net Assets, in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	Governmental	Business- Type	Total
Taxes and Assessments	\$ 443,458	74,287	517,745
Intergovernmental	619,999	-	619,999
Accounts and Other	516,205	92,645	608,850
Gross Receivables	<u>1,579,662</u>	<u>166,932</u>	<u>1,746,594</u>
Less Allowance	<u>280,023</u>	<u>17,793</u>	<u>297,816</u>
Net Receivables	<u>\$ 1,299,639</u>	<u>149,139</u>	<u>1,448,778</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

A summary of amounts due from/to other funds at June 30, 2011 is as follows:

Receivable Fund		Payable Fund	
General Fund	\$ 72,471	General Fund	\$ 1,001,794
Special Revenue	9,110	Special Revenue	30,674
Enterprise Fund	1,007,229	Agency Fund	63,989
Library	7,647		
	<u>\$ 1,096,457</u>		<u>\$ 1,096,457</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 6 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2011 is as follows:

Governmental Activities	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 2,046,188	-	-	-	2,046,188
Construction In Progress	1,720,166	124,028	(1,621,673)	-	222,521
Total Capital Assets at Historical Cost Not Being Depreciated	<u>3,766,354</u>	<u>124,028</u>	<u>(1,621,673)</u>	<u>-</u>	<u>2,268,709</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	6,406,905	136,294	1,102,921	-	7,646,120
Improvements Other than Buildings	681,590	111,298	310,002	-	1,102,890
Machinery and Equipment	3,509,719	28,500	435,875	53,500	3,920,594
Equipment Under Capital Lease	2,125,401	326,186	(435,875)	-	2,015,712
Infrastructure	5,703,670	186,227	208,750	-	6,098,647
Total Capital Assets at Historical Cost Being Depreciated	<u>18,427,285</u>	<u>788,505</u>	<u>1,621,673</u>	<u>53,500</u>	<u>20,783,963</u>
Less Accumulated Depreciation	<u>7,261,111</u>	<u>972,145</u>	<u>-</u>	<u>(53,500)</u>	<u>8,179,756</u>
Total Capital Assets Being Depreciated, Net	<u>11,166,174</u>	<u>(183,640)</u>	<u>1,621,673</u>	<u>-</u>	<u>12,604,207</u>
Government-Type Activities Capital Assets, Net	<u>\$ 14,932,528</u>	<u>(59,612)</u>	<u>-</u>	<u>-</u>	<u>14,872,916</u>

Primary government capital asset activity for the year ended June 30, 2011 is as follows:

Business-Type Activities	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 166,215	-	-	-	166,215
Capital Assets Being Depreciated:					
Land Improvements	154,630	-	-	-	154,630
Subtitle D Landfill	2,018,209	-	-	-	2,018,209
C & D Landfill	178,117	-	-	-	178,117
Buildings	87,454	-	-	-	87,454
Machinery and Equipment	1,587,032	-	-	-	1,587,032
Equipment Under Capital Lease	202,979	-	-	-	202,979
Total Capital Assets Being Depreciated	<u>4,228,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,228,421</u>
Less Accumulated Depreciation	<u>3,307,404</u>	<u>74,864</u>	<u>-</u>	<u>-</u>	<u>3,382,268</u>
Total Capital Assets Being Depreciated, Net	<u>921,017</u>	<u>(74,864)</u>	<u>-</u>	<u>-</u>	<u>846,153</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,087,232</u>	<u>(74,864)</u>	<u>-</u>	<u>-</u>	<u>1,012,368</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 6 - CAPITAL ASSETS, Continued

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental Activities	
County Government Administration	\$ 118,881
Public Safety	220,215
Roads and Bridges	288,652
Solid Waste	73,352
Health and Welfare	117,276
Non-Departmental	153,769
	<u>\$ 972,145</u>
Business-Type Activity	
Landfill	\$ 74,864
	<u>\$ 74,864</u>

NOTE 7 - LONG-TERM DEBT

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in an amount sufficient to pay the principal and interest due each year. The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, special source revenue bonds and other prescribed indebtedness approved by the voters. Based on the 2010 assessed property valuation of approximately \$53,774,780 the County's debt limit would approximate \$4,301,982.

Long-term debt currently outstanding is as follows:

General Obligation Refunding Bond Series 2010 Due in Annual Installments of Principal Through March 1, 2015; Interest is Payable Semiannually at 1.83% Per Annum.	\$ 1,133,000
Public Building General Obligation Bonds series 1980 Due in Annual Installments of \$29,385 for Principal and Interest Through March 20, 2020; Interest at 5% Per Annum.	204,688
	<u>\$ 1,337,688</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

Annual debt service requirements to maturity for General Obligation Bonds outstanding as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Total
2012	294,217	29,377	323,594
2013	295,211	23,332	318,543
2014	306,260	17,140	323,400
2015	316,365	10,719	327,084
2016	22,531	6,854	29,385
2017	23,760	5,625	29,385
2018	25,056	4,329	29,385
2019	26,423	2,962	29,385
2020	27,865	1,520	29,385
	<u>\$ 1,337,688</u>	<u>101,858</u>	<u>1,439,546</u>

The amount available in the debt service fund to service the General Obligation Bonds is \$66,121.

Individual Issuances

General Obligation Refunding Bond Series 2010

In June 2011, Abbeville County issued \$1,399,000 of General Obligation Refunding Bonds, Series 2010 to refund the General Obligation Bonds, Series 2000 and pay the costs of issuance. The Refunded bonds were issued to finance the costs of acquiring and constructing a new County detention facility and pay the costs of issuance. The reacquisition price exceeded the net carrying amount of the old debt by \$14,000. This amount is being expensed in the current year, along with bond issuance costs and a redemption premium, the total of which is \$34,350 and is included in interest and fiscal charges. The transaction also resulted in decreasing the aggregate principal and interest payments over the term of the new debt by \$163,371. Interest is payable semi-annually on March 1 and September 1 of each year commencing September 1, 2010. The annual requirements to amortize the County's series 2010 General Obligation Refunding Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2012	276,000	18,209	294,209
2013	276,000	13,158	289,158
2014	286,000	8,015	294,015
2015	295,000	2,699	297,699
	<u>\$ 1,133,000</u>	<u>42,081</u>	<u>1,175,081</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

Special Source Revenue Bonds

Article X, Section 14, of the Constitution of the State of South Carolina, as amended, provides that indebtedness payable solely from a special source, which source does not involve revenues from any tax or license, may be issued by a county. State law empowers Abbeville County to receive and retain revenues from a payment in lieu of taxes, to issue special source revenue bonds secured by and payable from all or a part of such revenues, for the purpose of defraying a portion of the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County in order to enhance the economic development of the County. At June 30, 2011 the County had authorized and issued special source revenue bonds. This Special Source Revenue Bond is secured by and payable solely from the Net Filot Revenues (as defined in the Bond Ordinance) and certain other amounts pledged herefore. This bond and the interest hereon is not secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the County. This bond and the interest, if any, hereon shall never constitute an indebtedness of the county within the meaning of any state constitutional provision or statutory limitation and shall be payable solely from the net filot revenues and certain other amounts pledged under the assignment and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

\$750,000 Special Source Revenue Bond (Infrastructure Project), Series 2009 due in annual installments of \$174,500 to \$171,452 beginning July 23, 2010 through 2014; interest at 5.15% per annum.

\$ 630,693

The annual requirement to amortize this Special Source Revenue Bond at June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Total
2012	146,002	32,481	178,483
2013	153,522	24,961	178,483
2014	161,428	17,055	178,483
2015	169,741	8,742	178,483
	<u>\$ 630,693</u>	<u>83,239</u>	<u>713,932</u>

Taxable Installment Purchase Revenue Bond (Recovery Zone Economic Recovery Bond)

Series 2010 Original issue of \$4,250,000, principal due in annual installments issued in December 2010 and matures in December 2025; interest at 5.8% paid semiannually.

This debt was issued by Abbeville Public Facilities Corporation for Abbeville County (the County's blended component unit) and thus not subject to the County's constitutional debt limit (8% of assessed value) since it was not directly issued by the County.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

Installment Purchase Revenue Bond (IPR)

The 2010 Installment Purchase Revenue Bond was issued by Abbeville Public Facilities Corporation (APFC) for Abbeville County to design, renovate and equip two separate existing properties. One building is the old Abbeville County Memorial Hospital, which will be renovated to accommodate county offices, and the other is a former retail store building, which will be upfitted to house the County library.

The IPR Bonds were issued pursuant to a facilities agreement between the County and APFC and evidence the interest of the APFC in certain rental payments made by the County. The Facilities agreement and the Base Lease agreement discussed below, were authorized by the County Council in fiscal year 2011. The County will purchase the facilities from APFC pursuant to the facilities agreement, which will obligate the County to make installment payments of the purchase price (lease rental payments) to APFC in amounts calculated to be sufficient to enable APFC to pay the principal and interest on the IPR Bond. The County's obligations under the facilities agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of purchase price due in such fiscal year. Upon a failure to appropriate sufficient lease rental payments, the County would forfeit possession of the facilities, subject to the provisions of the facilities agreement, for the remainder of the term of the Base Lease, but the APFC would remain as tenant under the Base Lease between the County and the APFC.

The County and the APFC made an irrevocable election to designate the IPR Bond as a "Build America Bond" and as a "Recovery Zone Economic Development Bond" so that the IPR Bond is a "qualified bond" for purposes of receiving a refundable credit equal to forty-five percent of the interest payable on the Bonds. The interest on these bonds will not be exempt for federal income tax purposes.

The Bond agreements required two separate funds to be established for the following:

- Project Funds – Proceeds in these funds are used to pay administrative fees and issuance costs, as well as construction costs of the projects. The total in these accounts at June 30, 2011 was \$4,123,638.
- Acquisition Account – The amount required to be deposited into this account in a bond year is equal to the debt service for such bond year. This account is expected to be a "bona fide debt service fund".

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

The annual requirements to amortize this 2010 IPR Bond are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ -	246,500	\$ 246,500
2013	40,000	245,340	285,340
2014	40,000	243,020	283,020
2015	40,000	240,700	280,700
2016	306,800	230,643	537,443
2017	320,600	212,448	533,048
2018	334,900	193,439	528,339
2019	349,800	173,582	523,382
2020	365,100	152,850	517,950
2021	376,900	131,332	508,232
2022	389,100	109,118	498,218
2023	401,700	86,185	487,885
2024	414,800	62,507	477,307
2025	428,200	38,060	466,260
2026	442,100	12,821	454,921
	<u>\$ 4,250,000</u>	<u>2,378,545</u>	<u>\$ 6,628,545</u>

Capital Leases

The government has entered into lease agreements as lessee for financing the acquisition of computer equipment for the Clerk of Court, eight fire trucks, medical information equipment, recycling equipment, two ambulances and fifteen vehicles. The government also has financed the acquisition of a compactor for its Landfill Enterprise Fund by means of a lease. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 2,015,712	202,979
Less: Accumulated Depreciation	557,841	86,991
Total	<u>\$ 1,457,871</u>	<u>115,988</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2012	\$ 364,932	60,686
2013	237,046	60,686
2014	133,380	-
2015	133,380	-
2016	133,380	-
2017-2021	346,127	-
Total Minimum Lease Payments	1,348,245	121,372
Less Amount Representing Interest	(176,849)	(2,677)
Present Value of Minimum Lease Payments	<u>\$ 1,171,396</u>	<u>118,695</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	<u>Balance 06/30/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 06/30/11</u>	<u>Due Within One Year</u>
General Obligation Bonds					
Series 1980	\$ 221,963	-	17,275	204,688	18,217
Refunding Series 2010	1,399,000	-	266,000	1,133,000	276,000
Special Source Revenue					
Bond Series 2009	750,000	-	119,307	630,693	146,002
Series 2010 Facilities Corp.					
Bonds	-	4,250,000	-	4,250,000	-
Capital Leases	1,276,192	312,986	417,782	1,171,396	319,074
Compensated Absences	322,959	200,599	179,606	343,952	171,976
Issuance Costs	-	(165,768)	-	(165,768)	(11,051)
	<u>\$ 3,970,114</u>	<u>4,597,817</u>	<u>999,970</u>	<u>7,567,961</u>	<u>920,218</u>

The general fund liquidates the compensated absences liability.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 7 - LONG-TERM DEBT, Continued

Business-Type Activities:

The County recognizes its liability for its solid waste landfill closure and post closure care costs as long-term debt in the enterprise fund. During the year ended June 30, 2011, the following changes occurred in the long term debt:

	Balance 06/30/10	Additions	Reductions	Balance 06/30/11
Capital Lease	\$ 172,801	-	54,106	118,695
Municipal Solid Waste Landfill				
Closure Cost	1,166,263	94,259	-	1,260,522
Post Closure Cost	1,065,202	52,307	19,000	1,098,509
	<u>\$ 2,404,266</u>	<u>146,566</u>	<u>73,106</u>	<u>2,477,726</u>

Increases and Decreases in the liability are due to the following:

Change in Estimate	\$ -
Landfill Capacity Used	146,566
Post Closure Completed	(19,000)
	<u>\$ 127,566</u>

For further explanation of this liability, see note 8.

NOTE 8 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The Abbeville County Solid Waste Authority began operations in the early 1970's. It became a department of Abbeville County and in 1991 transferred operations from a Special Revenue Fund to an Enterprise Fund. On October 9, 1991, federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills once its capacity is reached as well as postclosure monitoring and maintenance for a period of thirty years after closure. During the year the County completed construction on a new Subtitle D landfill and began accepting waste into the landfill on October 1, 1998. The existing landfill, which consisted of two separate cells, began the closure process immediately. The South cell closure was complete at June 30, 2002. The North cell closure was substantially complete on June 30, 2005. The estimated liability for post closure care costs amounted to \$399,000 at June 30, 2011. In addition, the County recognizes a portion of the closure and postclosure care costs for the new Subtitle D landfill in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized to date is based on the landfill capacity used as of the balance sheet date. As of June 30, 2011, the County had incurred an estimated liability of \$1,960,031, which represents the amount of costs reported to date based on an estimated seventy-six percent (76%) of landfill capacity used to date, and consulting engineers analysis and estimates. The total liability under GASB Statement 18 was \$2,359,031 as of June 30, 2011.

The closure and postclosure costs are subject to changes such as the effects of inflation, revision of laws and other variables. By federal and state laws, the County is required to establish financial assurance by the use of one of several approved mechanisms, to accumulate, or otherwise provide, the assets needed for the actual payout of closure and postclosure care costs. As of June 30, 2011, the County \$1,701,185 of cash in a separate landfill closure fund as well as the capacity to issue debt to provide for this liability.

The total estimated remaining constructed capacity of the landfill at June 30, 2011 is approximately 5.5 years, and the total estimated permitted capacity is approximately 41 years.

ABBEVILLE COUNTY, SOUTH CAROLINA

Notes To Financial Statements, Continued

June 30, 2011

NOTE 9 - 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; injuries to employees; and natural disasters.

The County continues to carry insurance for other risks of loss including employee health, dental, group life and accident insurance under various plans. For its employee's health and accident insurance coverage, the County carries its own insurance with employee coverage being borne by the County. Employees can elect to have dependent coverage at their expense. This plan is administered by Blue Cross/Blue Shield of South Carolina. The County pays the monthly premiums for active employees.

Property & Liability and Workers' Compensation is covered by two self-insured pools of the South Carolina Association of Counties and administered by Sedgwick James of the Carolinas. Settlements did not exceed the County's insurance coverage during the current fiscal year and there were no significant reductions in insurance coverage from the prior year.

NOTE 10 - EMPLOYEES' PENSION PLAN

The General Assembly of South Carolina ratified the following constitutional amendment on January 24, 1979:

The governing body of any retirement or pension system in this State funded in whole or in part by public funds shall not pay any increased benefits to members or beneficiaries of such system above the benefit levels in effect on January 1, 1979 unless such governing body shall first determine that funding for such increase on a sound actuarial basis has been provided or is concurrently provided.

The General Assembly shall annually appropriate funds and prescribe member contributions for any State operated retirement system which will insure the availability of funds to meet all normal and accrued liability of the system on a sound actuarial basis as determined by the governing body of the system.

Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits to plan members and beneficiaries. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and the South Carolina Police Officers Retirement System are issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

SCRS plan members are required to contribute 6.5% of their annual covered salary while PORS plan members are required to contribute 6.5% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS are 9.24% and 10.65% of annual covered payroll, respectively (9.06% and 10.3% of annual covered payroll, respectively, prior to July 1, 2007). In addition to the preceding rates, the County contributes .15% and .2 % of covered payroll to a group life insurance benefit for their SCRS and PORS participants, respectively. Additionally, participating employers contribute .2% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's required contributions were made to SCRS and PORS and are summarized for the current and prior two years as follows:

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 10 - EMPLOYEES' PENSION PLAN, Continued

<u>Year Ended</u>	<u>Employer</u>		<u>Employee</u>	
	<u>SCRS</u>	<u>PORS</u>	<u>SCRS</u>	<u>PORS</u>
June 30, 2011	\$ 309,847	194,514	217,966	113,597
June 30, 2010	323,496	190,050	227,568	115,993
June 30, 2009	314,594	187,994	217,770	110,585
June 30, 2011 (SCRS and PORS)		504,361		331,563

The total covered wages for the County and its component unit for the fiscal year presented are \$5,100,977. The County has no fiduciary responsibility for or further liability to either plan.

All employers contribute at the actuarially required contribution rates.

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

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to, and become the property of the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.5 percent from the employer in fiscal year 2011.

None of the County's employees have elected to be covered under optional retirement plans as of June 30, 2011.

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the County provides certain health care benefits for qualifying retirees. In the current fiscal year the County adopted a Health Reimbursement Arrangement which is a Defined Contribution Plan administered by Vested Health, LLC. Based on an individual's consecutive years of service with the County at the date of adoption of the plan, November 9, 2009, the County provides a monthly payment to the administrator, from which the retiree may pay qualifying medical costs, including insurance premiums. There is a lifetime cap on the total benefits that the County will pay for each retired employee, which is also determined based on years of service at date of adoption of the plan, as shown below. The plan is owned by the County and unused funds remain the property of the County.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

Consecutive Years of Service	Monthly Payment During Retirement	Maximum Total
25 or more	276	20,000
20-25 years	207	15,000
15-20 years	137	10,000

During the fiscal year ended June 30, 2011 the County paid a total of \$33,385 on behalf of 14 retirees.

NOTE 12 - DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

As of August 26, 1996 laws governing Section 457 plans were changed to state that plans were not eligible unless all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

CitiStreet LLC., One Heritage Drive North Quincy, MA 02171, (under state contract) are the program administrators of the 457 plan, as well as the 401K plan. The choice of deferred compensation options are selected by the participant. As recommended by GASB No. 32, *Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans*, the value of the assets under the plan are not included in the County's financial statements.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Due to the nature of the County's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities.

Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may result from litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies at June 30 if the related liability has not been recorded, yet a loss is reasonably possible. Guarantees of others' debts are loss contingencies, however, even if the probability of loss is remote. The County maintains insurance against certain loss contingencies with tort liability policies and physical damage coverage. At the date of this report the lawsuits the County was involved in will, in the opinion of management and legal council, either be fully insured or will not result in any material financial liability. Otherwise, the County's management is not aware of any material contingencies arising from lawsuits or other uncertainties.

The County receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or overall financial position of the County at June 30, 2011.

The County has completed construction on and began operating its own Subtitle D landfill on October 1, 1998. The County's obligation to provide for closure and post closure care costs and the related financial assurance mandated by the Environmental Protection Agency (EPA) is more fully described in Note 8. The County maintains a waste management plan to handle/recycle a state-mandated 35% of all waste taken into the landfill.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes To Financial Statements, Continued
June 30, 2011

NOTE 14 - CONDUIT DEBT OBLIGATIONS

The County from time to time has issued Special Source Revenue Bonds and Industrial Revenue Bonds to furnish financial assistance to private-sector entities for the acquisition and construction of industrial facilities within Industrial Parks considered to be in the public interest. The bonds are secured by the property financed. The property is leased to the private-sector entity as "Tenants", and the underlying bonds are payable solely from payments received from the tenant in the form of rents and payments in lieu of taxes. Upon repayment of the bonds, ownership of the acquired facilities will transfer to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2011 there were two hospital revenue bonds outstanding and there were no industrial revenue bonds outstanding that the county has record of.

NOTE 15 - COMPONENT UNIT INFORMATION

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial reporting entity. The Abbeville County Library is discretely presented on the financial statements and the following is the associated note disclosure.

Cash And Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. At June 30, 2011, the carrying amount of the Library's deposits was \$35,134 and the bank balance was \$36,652. All of the Library's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the Library's name. Therefore, none of the Library's deposits were exposed to custodial credit risk at June 30, 2011.

Capital Assets

Component Unit capital asset activity for the year ended June 30, 2011 is as follows:

Abbeville County Library	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets Not Being Depreciated:				
Books	\$ 939,251	33,452	50,800	921,903
Collections	61,935	-	-	61,935
Total Capital Assets Not Being Depreciated	<u>1,001,186</u>	<u>33,452</u>	<u>50,800</u>	<u>983,838</u>
Capital Assets Being Depreciated:				
Equipment, Furniture and Fixtures	22,022	-	-	22,022
Total Capital Assets Being Depreciated	<u>22,022</u>	<u>-</u>	<u>-</u>	<u>22,022</u>
Less Accumulated Depreciation	<u>15,204</u>	<u>2,202</u>		<u>17,406</u>
Total Capital Asset Being Depreciated, Net				
Component Unit	<u>6,818</u>	<u>(2,202)</u>	<u>-</u>	<u>4,616</u>
Total Capital Assets, Net	<u>\$ 1,008,004</u>	<u>31,250</u>	<u>50,800</u>	<u>988,454</u>

Subsequent Event

Subsequent to year end, in August, 2010 the County passed an ordinance making provision for tax anticipation borrowing in the principal amount of not exceeding \$1,000,000.00, in anticipation of the collection of ad valorem taxes for the fiscal year ending the 30th day of June, 2011.

ABBEVILLE COUNTY, SOUTH CAROLINA

General Fund
 Balance Sheet
 June 30, 2011

Assets

Cash and Cash Equivalents	\$ 1,638,544
Receivables:	
Taxes	206,377
Intergovernmental	465,911
Other	-
Due From Other Funds	72,471
Prepaid Expense	15,788
Inventories	<u>22,375</u>
 Total Assets	 <u><u>\$ 2,421,466</u></u>

Liabilities and Fund Balances

Liabilities	
Accounts Payable	\$ 186,510
Accrued Liabilities	246,798
Due to Other Funds	1,001,794
Deferred Revenue	<u>172,950</u>
 Total Liabilities	 <u><u>1,608,052</u></u>
 Fund Balances	
Nonspendable	38,163
Restricted	-
Assigned	-
Unassigned	<u>775,251</u>
 Total Fund Balances	 <u><u>813,414</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 2,421,466</u></u>

ABBEVILLE COUNTY, SOUTH CAROLINA
 General Fund
 Statement of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
TAXES				
Current Real Estate	\$ 2,400,000	2,400,000	2,250,897	(149,103)
Homestead	300,000	300,000	389,367	89,367
Real Property - Delinquent	160,000	160,000	199,151	39,151
Multi-County Industrial Park Fee	800,000	800,000	790,589	(9,411)
Vehicle	590,000	590,000	424,593	(165,407)
LOST Property Tax Rollback	800,000	800,000	1,171,490	371,490
FILLOT Real Estate	110,000	110,000	1,263	(108,737)
Manufacturing Exempt	125,000	125,000	60,761	(64,239)
Total Taxes	<u>\$ 5,285,000</u>	<u>5,285,000</u>	<u>5,288,111</u>	<u>3,111</u>
INTERGOVERNMENTAL				
Aid to Subdivisions	1,090,000	1,090,000	951,303	(138,697)
City of Abbeville Detention Revenue	10,000	10,000	11,040	1,040
Ware Shoals Detention Revenue	150	150	250	100
Calhoun Falls Detention Revenue	1,000	1,000	4,725	3,725
Due West Detention Revenue	500	500	1,265	765
Donalds Detention Revenue	200	200	-	(200)
DSS Reimbursement	30,000	30,000	25,712	(4,288)
Election Supplies Reimbursement	7,000	7,000	825	(6,175)
Local Options Sales Tax	310,000	310,000	374,316	64,316
Miscellaneous State Income	1,000	1,000	-	(1,000)
Motor Carrier Tax	25,000	25,000	19,585	(5,415)
Poll Managers & Registration Board	16,600	16,600	24,080	7,480
Accommodations Tax	27,000	27,000	28,350	1,350
Veterans SVC Officer	6,200	6,200	4,614	(1,586)
State Salary Supplement	6,300	6,300	8,676	2,376
Emergency Management Performance Grant	65,000	65,000	9,501	(55,499)
Inmate Labor	65,000	65,000	65,000	-
State Inventory Tax	12,500	12,500	12,557	57
Anderson County Ind Park	57,000	57,000	63,071	6,071
Family Court Reimbursement	50,000	50,000	67,000	17,000
Sheriffs Grant Reimbursement	5,395	5,395	4,412	(983)
State Court Technology Grant	-	-	1,690	1,690
Landfill - Reimbursement	20,000	20,000	29,333	9,333
Total Intergovernmental	<u>\$ 1,805,845</u>	<u>1,805,845</u>	<u>1,707,305</u>	<u>(98,540)</u>
GRANTS AND DONATIONS				
Miscellaneous Grant Reimbursements	-	-	-	-
S.C. Archive & Historical Grant	-	-	-	-
State Treasury Grant	-	-	-	-
EMS Grant	-	-	49,642	49,642
Private Donations	-	-	-	-
Total Grants and Donations	<u>\$ -</u>	<u>-</u>	<u>49,642</u>	<u>49,642</u>
CHARGES FOR SERVICES				
Bill & Collect Municipalities	\$ 17,000	17,000	15,670	(1,330)
Tax Collector Costs	110,000	110,000	158,820	48,820
EMG SVC Billing	700,000	700,000	632,013	(67,987)
Non emergency Services Billing	400,000	400,000	260,449	(139,551)
Treasurer Decal	19,000	19,000	18,895	(105)
Municipal Election Reimbursement	4,000	4,000	-	(4,000)
Industrial Park Landscape	-	-	-	-
Sheriff Fees	3,000	3,000	2,930	(70)
Total Charges for Services	<u>\$ 1,253,000</u>	<u>1,253,000</u>	<u>1,088,777</u>	<u>(164,223)</u>

(Continued)

ABBEVILLE COUNTY, SOUTH CAROLINA
 General Fund
 Statement of Revenues and Expenditures - Budget and Actual, Continued
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
RENT				
Rent - LEC Building	34,000	34,000	38,351	4,351
- Old Miliken Plant	-	-	4,714	4,714
Total Rent	\$ 34,000	34,000	43,065	9,065
FINES AND FEES				
Child Support Fees	50,000	50,000	-	(50,000)
Clerk of Court Fees	130,000	130,000	216,015	86,015
Health Department	5,000	5,000	4,167	(833)
Magistrate Civil Fee	35,000	35,000	33,117	(1,883)
Magistrate Criminal Fees	100,000	100,000	100,851	851
Worthless Check Program Fees	750	750	592	(158)
Master in Equity Fees	30,000	30,000	26,506	(3,494)
Ordinances Map Zone	2,000	2,000	1,075	(925)
Returned Check Fee	100	100	60	(40)
Probate Judge Fees	35,000	35,000	37,365	2,365
Total Fines and Fees	\$ 387,850	387,850	419,748	31,898
LICENSES AND PERMITS				
Building Permits	65,000	65,000	65,317	317
Cable Television	47,000	47,000	71,170	24,170
Mobile Home Licenses	1,000	1,000	7,005	6,005
Total Licenses and Permits	\$ 113,000	113,000	143,492	30,492
MISCELLANEOUS				
Phone Reimbursement-Sheriff	\$ 6,000	6,000	13,301	7,301
US Treasury	-	-	16,089	16,089
St Treasury Pollution	-	-	-	-
Auditor Temporary Tags	1,600	1,600	1,490	(110)
Asset Disposition	1,500	1,500	3,838	2,338
Copying / Vending	200	200	927	727
Miscellaneous Revenue	-	-	7,521	7,521
Total Miscellaneous	9,300	9,300	43,166	33,866
INTEREST REVENUES				
Interest Earned	1,000	1,000	817	(183)
Interest from Holding Fund	1,000	1,000	2,302	1,302
Total Interest Revenues	2,000	2,000	3,119	1,119
Total Revenues	\$ 8,889,995	8,889,995	8,786,425	(103,570)

(Continued)

ABBEVILLE COUNTY, SOUTH CAROLINA

General Fund
Statement of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES				
GENERAL GOVERNMENT				
County Council	\$ 103,498	103,498	101,061	2,437
Administration	81,410	81,410	89,962	(8,552)
Codes Administration	69,709	69,709	69,686	23
Finance Department	122,168	122,168	99,824	22,344
Development Services	140,920	140,920	133,850	7,070
Planning Department	76,346	76,346	74,960	1,386
Risk Management	15,200	15,200	11,397	3,803
Clerk of Court	249,331	249,331	226,271	23,060
Probate Judge	105,431	105,431	106,261	(830)
Master In Equity	14,395	14,395	14,433	(38)
Auditor	112,593	112,593	112,377	216
Treasurer	202,094	202,094	171,514	30,580
Tax Collector	223,841	223,841	179,009	44,832
Assessor	151,914	151,914	184,584	(32,670)
Registration & Election	83,912	83,912	69,135	14,777
County Attorney	36,000	36,000	39,020	(3,020)
Building & Grounds	333,048	333,048	264,856	68,192
Veteran's Affairs	60,047	60,047	60,258	(211)
External Auditor	90,000	90,000	76,509	13,491
Total General Government	<u>2,271,857</u>	<u>2,271,857</u>	<u>2,084,967</u>	<u>186,890</u>
PUBLIC SAFETY				
Solicitor	38,970	38,970	38,970	-
Sheriff	1,191,097	1,191,097	1,242,439	(51,342)
Sheriff Grant Disbursement	-	-	-	-
Magistrate	201,800	201,800	184,579	17,221
Public Defender	26,790	26,790	26,790	-
Coroner	39,642	39,642	46,156	(6,514)
Detention Center	862,845	862,845	858,344	4,501
Juvenile Detention	-	-	-	-
Total Public Safety	<u>\$ 2,361,144</u>	<u>2,361,144</u>	<u>2,397,278</u>	<u>(36,134)</u>
HEALTH AND WELFARE				
Emergency Management	\$ 1,461,481	1,461,481	1,359,918	101,563
Non-Emergency Transport	152,619	152,619	161,793	(9,174)
E-911 Operations	341,500	341,500	328,365	13,135
Animal Control	-	-	-	-
Total Health and Welfare	<u>1,955,600</u>	<u>1,955,600</u>	<u>1,850,076</u>	<u>105,524</u>

(Continued)

ABBEVILLE COUNTY, SOUTH CAROLINA

General Fund

Statement of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
CULTURE AND RECREATION				
Recreation	22,730	22,730	27,853	(5,123)
Intergovernmental	101,453	101,453	136,866	(35,413)
Total Culture and Recreation	<u>\$ 124,183</u>	<u>124,183</u>	<u>164,719</u>	<u>(40,536)</u>
NON-DEPARTMENTAL				
Health Insurance	589,000	589,000	609,318	(20,318)
FICA	359,000	359,000	330,183	28,817
Retirement Expense	469,630	469,630	448,551	21,079
Retiree Defined Contribution	35,000	35,000	33,385	1,615
Unemployment Expense	17,500	17,500	41,732	(24,232)
Workman's Compensation	185,231	185,231	194,638	(9,407)
Christmas Bonus	-	-	-	-
IT Management Fees	51,000	51,000	61,652	(10,652)
IT Computer Hardware	11,000	11,000	20,525	(9,525)
Membership & Dues	9,100	9,100	9,465	(365)
Bank Fees and Supplies	10,000	10,000	2,741	7,259
Building Insurance	170,000	170,000	129,525	40,475
Telephone	41,000	41,000	43,276	(2,276)
Internet	13,000	13,000	10,185	2,815
Advertising	2,000	2,000	1,262	738
Copy Machine	8,500	8,500	10,648	(2,148)
DP Supplies	9,000	9,000	4,698	4,302
Postage Meter Expense	12,000	12,000	15,690	(3,690)
Interest Expense	-	-	3,610	(3,610)
Professional Services	9,000	9,000	18,343	(9,343)
Miscellaneous Expense	1,250	1,250	-	1,250
Grant Disbursement	-	-	380	(380)
Capital Projects	-	-	2,685	(2,685)
Professional Services	-	-	10,023	(10,023)
Disbursements - Federal Grants	-	-	28,243	(28,243)
Miscellaneous	-	-	3,493	(3,493)
Debt Service				
Principal	119,307	119,307	119,307	-
Interest and Fiscal Charges	55,693	55,693	58,897	(3,204)
Total Non-Departmental	<u>2,177,211</u>	<u>2,177,211</u>	<u>2,212,455</u>	<u>(35,244)</u>
Total Expenditures	<u>\$ 8,889,995</u>	<u>8,889,995</u>	<u>8,709,495</u>	<u>180,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>76,930</u>	<u>76,930</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Lease	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(47,773)	(47,773)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(47,773)</u>	<u>(47,773)</u>
Net Change in Fund Balance	-	-	29,157	29,157
Fund Balance, Beginning	-	-	784,257	(784,257)
Fund Balance, End of Year	<u>\$ -</u>	<u>-</u>	<u>813,414</u>	<u>(755,100)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
 Fire Commission
 Special Revenue Major Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 370,500	370,500	373,797	3,297
Intergovernmental	4,083	4,083	4,567	484
Interest Revenues	100	100	76	(24)
Miscellaneous	1,500	1,500	-	(1,500)
Total Revenues	\$ 376,183	376,183	378,439	2,256
EXPENDITURES				
Public Safety	\$ 215,238	215,238	251,211	(35,973)
Lump Sum Appropriations	58,000	58,000	59,500	(1,500)
Debt Service	102,945	102,945	101,844	1,101
Total Expenditures	\$ 376,183	376,183	412,555	(36,372)
OTHER FINANCING SOURCES				
Transfer In	\$ -	-	35,000	35,000
Total Other Financing Sources	\$ -	-	35,000	35,000

ABBEVILLE COUNTY, SOUTH CAROLINA
 C-Funds
 Special Revenue Major Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 820,000	820,000	772,922	(47,078)
Interest Revenues	30	30	43	13
Total Revenues	<u>\$ 820,030</u>	<u>820,030</u>	<u>772,966</u>	<u>(47,065)</u>
 EXPENDITURES				
Roads and Bridges	\$ 820,030	820,030	318,338	501,692
Capital Outlay	-	-	446,582	(446,582)
Total Expenditures	<u>\$ 820,030</u>	<u>820,030</u>	<u>764,920</u>	<u>55,110</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Solid Waste
Special Revenue Major Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 371,000	371,000	357,560	(13,440)
Intergovernmental	18,442	18,442	18,316	(126)
Interest Revenue	100	100	121	21
Total Revenues	<u>\$ 389,542</u>	<u>389,542</u>	<u>375,997</u>	<u>(13,545)</u>
 EXPENDITURES				
Solid Waste	\$ 365,091	365,091	338,807	26,284
Debt Service	24,451	24,451	24,428	23
Total Expenditures	<u>\$ 389,542</u>	<u>389,542</u>	<u>363,235</u>	<u>26,307</u>

ABBEVILLE COUNTY, SOUTH CAROLINA

E-911

Special Revenue Major Fund

Schedule of Revenues and Expenditures - Budget and Actual

For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 44,000	44,000	122,050	78,050
Charges for Services	123,000	123,000	124,046	1,046
Interest Revenues	-	-	136	136
Prior Year	42,000	42,000	-	(42,000)
Total Revenues	\$ 209,000	209,000	246,232	37,232
EXPENDITURES				
Public Safety	\$ 159,000	159,000	234,316	(75,316)
Capital Outlay	50,000	50,000	227,200	(177,200)
Total Expenditures	\$ 209,000	209,000	461,516	(252,516)
OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ -	-	214,000.00	214,000.00
Total Other Financing Sources	\$ -	-	214,000.00	214,000.00

ABBEVILLE COUNTY, SOUTH CAROLINA
 Public Safety
 Special Revenue Major Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 556,699	556,699	470,385	(86,314)
Miscellaneous	-	-	869	869
Interest Revenue	100	100	64	(36)
Total Revenues	<u>\$ 556,799</u>	<u>556,799</u>	<u>471,318</u>	<u>(85,481)</u>
EXPENDITURES				
Public Safety	\$ 556,799	556,799	191,283	365,516
Capital Outlay	-	-	98,986	(98,986)
Debt Service	-	-	293,920	(293,920)
Total Expenditures	<u>\$ 556,799</u>	<u>556,799</u>	<u>584,189</u>	<u>(27,390)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 989,620	60,393	1,050,013
Receivables:			
Intergovernmental	128,706	-	128,706
Property Taxes	9,745	19,230	28,975
Prepaid Expense	-	-	-
Due from Other Funds	-	-	-
	<u>\$ 1,128,071</u>	<u>79,623</u>	<u>1,207,694</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	740	-	740
Accrued Liabilities	9,478	-	9,478
Due to Other Funds	30,674	-	30,674
Deferred Revenue	8,066	15,177	23,243
	<u>48,958</u>	<u>15,177</u>	<u>64,135</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	705,279	64,446	769,725
Assigned	373,834	-	373,834
Unassigned	-	-	-
	<u>1,079,113</u>	<u>64,446</u>	<u>1,143,559</u>
Total Fund Balances	<u>1,079,113</u>	<u>64,446</u>	<u>1,143,559</u>
Total Liabilities and Fund Balances	<u>\$ 1,128,071</u>	<u>79,623</u>	<u>1,207,694</u>

ABBEVILLE COUNTY, SOUTH CAROLINA

Combining Statement Of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 147,477	348,064	495,541
Intergovernmental	513,239	4,337	517,576
Fees and Fines	408,401	-	408,401
Miscellaneous	28,194	-	28,194
Investment Income	654	150	804
Total Revenues	1,097,965	352,551	1,450,516
EXPENDITURES			
General Government	9,122	-	9,122
Public Safety	166,058	-	166,058
Roads and Bridges	304,283	-	304,283
Solid Waste	-	-	-
Non-Departmental	145,958	-	145,958
Lump Sum Appropriation	218,975	-	218,975
Capital Outlay	73,050	-	73,050
Debt Service:			
Principal Retirements	42,162	283,275	325,437
Interest and Fiscal Charges	3,870	37,613	41,483
Total Expenditures	963,478	320,888	1,284,366
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	134,487	31,663	166,150
OTHER FINANCING SOURCES (USES)			
Proceeds from Capital Lease	-	-	-
Transfer In/Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	134,487	31,663	166,150
FUND BALANCES, July 1	944,626	32,783	977,409
FUND BALANCES, June 30	\$ 1,079,113	64,446	1,143,559

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Road Maintenance	Accomo- dations Tax	Victim's Services	Family Court	DSS Child Support	Sheriff's Family Court	Title III Forest Funds	Infrastructure Development
Assets								
Cash	\$ 196,127	4,326	5,119	84,288	85,957	18,554	336	373,834
Intergovernmental Receivable	23,334	92,480	-	-	8,868	412	-	-
Property Taxes Receivable	-	-	-	-	-	-	-	-
Lease Proceeds Receivable	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Total Assets	219,461	96,806	5,119	84,288	94,825	18,966	336	373,834
Liabilities and Fund Balance								
Liabilities								
Accounts Payable	247	-	-	-	-	-	-	-
Accrued Liabilities	7,794	-	1,684	-	-	-	-	-
Due to Other Funds	871	-	29,803	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Total Liabilities	8,912	-	31,487	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	210,549	96,806	(26,368)	84,288	94,825	18,966	336	-
Assigned	-	-	-	-	-	-	-	373,834
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	210,549	96,806	(26,368)	84,288	94,825	18,966	336	373,834
Total Liabilities and Fund Balances	\$ 219,461	96,806	5,119	84,288	94,825	18,966	336	373,834

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2011

Assets	Emergency Management Donations	Rural Fire Donations	Animal Rescue	E 911 Donations	Sheriff's BJA Grant	Competitive Grant	Piedmont Technical College	Sheriff Drug Forfeitures	Total All Funds
Cash	\$ 2,756	15,420	1,540	11	24,343	31,829	53,494	91,686	989,620
Intergovernmental Receivable	-	3,612	-	-	-	-	-	-	128,706
Property Taxes Receivable	-	-	-	-	-	-	9,745	-	9,745
Lease Proceeds Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Total Assets	2,756	19,032	1,540	11	24,343	31,829	63,239	91,686	1,128,071
Liabilities and Fund Balance									
Liabilities									
Accounts Payable	493	-	-	-	-	-	-	-	740
Accrued Liabilities	-	-	-	-	-	-	-	-	9,478
Due to Other Funds	-	-	-	-	-	-	-	-	30,674
Deferred Revenue	-	-	-	-	-	-	8,066	-	8,066
Total Liabilities	493	-	-	-	-	-	8,066	-	48,958
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	2,263	19,032	1,540	11	24,343	31,829	55,173	91,686	705,279
Assigned	-	-	-	-	-	-	-	-	373,834
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	2,263	19,032	1,540	11	24,343	31,829	55,173	91,686	1,079,113
Total Liabilities and Fund Balances	\$ 2,756	19,032	1,540	11	24,343	31,829	63,239	91,686	1,128,071

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Road Maintenance	Accomo- dations Tax	Victim's Services	Family Court	DSS Child Support	Sheriff's Family Court
Revenues						
Taxes	\$ -	-	-	-	\$ -	-
Intergovernmental	31,857	96,432	-	15,463	109,151	8,217
Fees & Fines	263,312	-	27,957	-	-	-
Miscellaneous	8,466	-	925	-	-	-
Investment Income	164	36	4	47	41	14
Total Revenues	<u>303,799</u>	<u>96,468</u>	<u>28,886</u>	<u>15,510</u>	<u>109,192</u>	<u>8,231</u>
Expenditures						
Current						
General Government						
Other	-	-	-	-	-	9,122
Public Safety						
Personnel	-	-	36,845	-	-	-
Other	-	-	8,919	-	-	-
Road Maintenance						
Personnel	208,875	-	-	-	-	-
Other	90,825	-	-	-	-	-
Solid Waste						
Personnel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Development Board						
Personnel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Non-departmental	-	28,350	-	-	95,485	-
Lump Sum Appropriation	-	63,650	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	42,162	-	-	-	-	-
Interest and Fiscal Charges	3,870	-	-	-	-	-
Total Expenditures	<u>345,732</u>	<u>92,000</u>	<u>45,764</u>	<u>-</u>	<u>95,485</u>	<u>9,122</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,933)</u>	<u>4,468</u>	<u>(16,878)</u>	<u>15,510</u>	<u>13,707</u>	<u>(891)</u>
Other Financing Sources (Uses)						
Proceeds from Capital Lease	-	-	-	-	-	-
Transfer In / Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(41,933)	4,468	(16,878)	15,510	13,707	(891)
Fund Balance (Deficit), Beginning	<u>252,482</u>	<u>92,338</u>	<u>(9,490)</u>	<u>68,778</u>	<u>81,118</u>	<u>19,857</u>
Fund Balance (Deficit), End of Year	<u>\$ 210,549</u>	<u>96,806</u>	<u>(26,368)</u>	<u>84,288</u>	<u>\$ 94,825</u>	<u>18,966</u>

(Continued)

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Title III Forest Funds	Infrastructure Development	Emergency Management Donations	Rural Fire Donations	Animal Rescue	E-911 Donations
Revenues						
Taxes	-	-	-	-	\$ -	-
Intergovernmental	22,198	150,260	-	-	-	-
Fees & Fines	-	-	-	-	-	-
Miscellaneous	-	-	4,540	14,113	-	150
Investment Income	-	218	2	11	1	-
Total Revenues	22,198	150,478	4,542	14,124	1	150
Expenditures						
Current						
General Government						
Other	-	-	-	-	\$ -	-
Public Safety						
Personnel	-	-	-	-	-	-
Other	-	-	3,642	17,340	-	139
Road Maintenance						
Personnel	-	-	-	-	-	-
Other	-	4,583	-	-	-	-
Solid Waste						
Personnel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Development Board						
Personnel	-	-	-	-	-	-
Other	-	-	-	-	-	-
Non-departmental	22,123	-	-	-	-	-
Lump Sum Appropriation	-	-	-	-	-	-
Capital Outlay	-	73,050	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	22,123	77,633	3,642	17,340	-	139
Excess (Deficiency) of Revenues Over (Under) Expenditures	75	72,845	900	(3,216)	1	11
Other Financing Sources (Uses)						
Proceeds from Capital Lease	-	-	-	-	-	-
Transfer In / Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	75	72,845	900	(3,216)	1	11
Fund Balance (Deficit), Beginning	261	300,989	1,363	22,248	1,539	-
Fund Balance (Deficit), End of Year	336	373,834	2,263	19,032	\$ 1,540	11

(Continued)

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Sheriff's BJA Grant	Competitive Grant	Piedmont Technical College	Sheriff Drug Forfeitures	Total All Funds
Revenues					
Taxes	-	-	147,477	-	147,477
Intergovernmental	77,420	-	2,241	-	513,239
Fees & Fines	-	-	-	117,132	408,401
Miscellaneous	-	-	-	-	28,194
Investment Income	25	21	43	27	654
Total Revenues	<u>77,445</u>	<u>21</u>	<u>149,761</u>	<u>117,159</u>	<u>1,097,965</u>
Expenditures					
Current					
General Government					
Other	-	-	-	-	9,122
Public Safety					
Personnel	-	-	-	-	36,845
Other	71,454	2,246	-	25,473	129,213
Road Maintenance					
Personnel	-	-	-	-	208,875
Other	-	-	-	-	95,408
Solid Waste					
Personnel	-	-	-	-	-
Other	-	-	-	-	-
Development Board					
Personnel	-	-	-	-	-
Other	-	-	-	-	-
Non-departmental					
Lump Sum Appropriation	-	-	155,325	-	145,958
Capital Outlay	-	-	-	-	218,975
Debt Service					
Principal	-	-	-	-	42,162
Interest and Fiscal Charges	-	-	-	-	3,870
Total Expenditures	<u>71,454</u>	<u>2,246</u>	<u>155,325</u>	<u>25,473</u>	<u>963,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,991</u>	<u>(2,225)</u>	<u>(5,564)</u>	<u>91,686</u>	<u>134,487</u>
Other Financing Sources (Uses)					
Proceeds from Capital Lease	-	-	-	-	-
Transfer In / Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,991	(2,225)	(5,564)	91,686	134,487
Fund Balance (Deficit), Beginning	<u>18,352</u>	<u>34,054</u>	<u>60,737</u>	<u>-</u>	<u>944,626</u>
Fund Balance (Deficit), End of Year	<u>24,343</u>	<u>31,829</u>	<u>55,173</u>	<u>91,686</u>	<u>1,079,113</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2011

	County GO Bond 2010 Millage	County Office Building 1980	General County	Law Enforcement Center Bond	Total All Funds
Assets					
Cash	\$ 47,739	11,820	834	-	60,393
Property Taxes Receivable	11,719	1,739	1	5,771	19,230
Total Assets	<u>\$ 59,458</u>	<u>13,559</u>	<u>835</u>	<u>5,771</u>	<u>79,623</u>
Liabilities					
Deferred Revenue	7,992	1,439	1	5,745	15,177
Total Liabilities	<u>7,992</u>	<u>1,439</u>	<u>1</u>	<u>5,745</u>	<u>15,177</u>
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	51,466	12,120	834	26	64,446
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>51,466</u>	<u>12,120</u>	<u>834</u>	<u>26</u>	<u>64,446</u>
Total Liabilities and Fund Balance	<u>\$ 59,458</u>	<u>13,559</u>	<u>835</u>	<u>5,771</u>	<u>79,623</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2011

	County GO Bond 2010 Millage	County Office Building 1980	General County	Law Enforcement Center Bond	Total All Funds
Revenues					
Taxes	\$ 303,981	26,336	17,747	-	348,064
Intergovernmental	3,943	394	-	-	4,337
Investment Income	23	12	115	-	150
Total Revenues	<u>307,947</u>	<u>26,742</u>	<u>17,862</u>	<u>-</u>	<u>352,551</u>
Expenditures					
Principal Payments	266,000	17,275	-	-	283,275
Principal Retirements - Refunded Bonds	-	-	-	-	-
Interest and Fiscal Charges	22,935	12,533	-	2,145	37,613
Total Expenditures	<u>288,935</u>	<u>29,808</u>	<u>-</u>	<u>2,145</u>	<u>320,888</u>
Other Financing Sources (Uses)					
Transfers	29,573	-	(29,573)	-	-
Proceeds from General Obligation Refunding Bonds Series 2010	-	-	-	-	-
	<u>29,573</u>	<u>-</u>	<u>(29,573)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	48,585	(3,066)	(11,711)	(2,145)	31,663
Fund Balance, Beginning of Year	<u>2,881</u>	<u>15,186</u>	<u>12,545</u>	<u>2,171</u>	<u>32,783</u>
Fund Balance, End of Year	<u>\$ 51,466</u>	<u>12,120</u>	<u>834</u>	<u>26</u>	<u>64,446</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
 Schedule of Clerk of Court Fees and Fines - UNAUDITED
 For the Year Ended June 30, 2011

	<u>Total Collected</u>
<u>Amount Retained by County Treasurer</u>	
Fines	\$ 216,357
Assessments	-
Surcharges	<u>-</u>
Total Retained by County Treasurer	<u><u>\$ 216,357</u></u>
<u>Amount Remitted to State Treasurer</u>	
Fines	\$ -
Assessments	145,438
Surcharges	<u>4,763</u>
Total Remitted to State Treasurer	<u><u>\$ 150,201</u></u>
<u>Amount Allocated to Victim's Services</u>	
Fines	\$ -
Assessments	1,211
Surcharges	<u>7,814</u>
Total Allocated to Victim's Services	<u><u>\$ 9,025</u></u>

ABBEVILLE COUNTY, SOUTH CAROLINA
 Schedule of Magistrate Fees and Fines
 For the Year Ended June 30, 2011

	<u>Total Collected</u>
<u>Amount Retained by County Treasurer</u>	
Fines	\$ 129,058
Fees	-
Surcharges	<u>-</u>
Total Retained by County Treasurer	<u><u>\$ 129,058</u></u>
<u>Amount Remitted to State Treasurer</u>	
Fines	\$ -
Assessments	91,877
Surcharges	<u>52,599</u>
Total Remitted to State Treasurer	<u><u>\$ 144,476</u></u>
<u>Amount Allocated to Victim's Services</u>	
Fines	\$ -
Assessments	9,679
Surcharges	<u>7,579</u>
Total Allocated to Victim's Services	<u><u>\$ 17,258</u></u>

	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
Victim's Services	<u>\$ (9,490)</u>	<u>28,886</u>	<u>45,764</u>	<u>(26,368)</u>

ABBEVILLE COUNTY LIBRARY
 Schedule of Revenues and Expenditures
 Fiscal Year Ended June 30, 2011

SOURCE OF FUNDS	Balance 6/30/10	Revenues	Expenditures	Balance 6/30/11
Local Sources:				
County of Tax Appropriation	\$ 51,738.63	191,686.87	217,157.90	26,267.60
Fees & Fines	12,884.22	14,504.99	14,504.99	12,884.22
Gifts & Donations	-	9,000.00	5,000.00	4,000.00
Other Local	44,959.34	12,863.01	12,863.01	44,959.34
Total Local Sources	\$ 109,582.19	228,054.87	249,525.90	88,111.16
State Sources:				
State Aid	-	60,000.00	60,000.00	-
Education Lottery	6,396.63	-	-	6,396.63
Other State (Including Capital Improvement Funds)	8,743.25	-	-	8,743.25
State Grant - Travel	22.00	-	-	22.00
State Public Access Hardware Upgrade Grant	2,019.35	-	-	2,019.35
Motor Carrier	-	884.89	884.89	-
Total State Sources	17,181.23	60,884.89	60,884.89	17,181.23
Federal Sources:				
Library Services & Technology Act	-	14,200.00	14,200.00	-
Other Federal	-	7,648.61	7,648.61	-
Total Federal Sources	-	21,848.61	21,848.61	-
Total All Sources of Funds	\$ 126,763.42	310,788.37	332,259.40	105,292.39