

ABBEVILLE COUNTY, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
June 30, 2012**

(With Independent Auditors' Report Thereon)

ABBEVILLE COUNTY, SOUTH CAROLINA
Comprehensive Annual Financial Report
Table of Contents
June 30, 2012

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
List of Principal Officials.....	1
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report on Financial Statements.....	2-3
Management's Discussion and Analysis.....	4-12
 General Purpose Financial Statements:	
<u>Exhibit</u>	
Government-wide Financial Statements	
A Statement of Net Assets.....	13
B Statement of Activities.....	14
 Fund Financial Statements:	
C Balance Sheet - Governmental Funds.....	15
D Reconciliation of Total Governmental Funds Balances to the Net Assets of Governmental Activities.....	16
E Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	17
F Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	18
G Statement of Net Assets - Enterprise Fund.....	19
H Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Fund.....	20
I Statement of Cash Flows - Enterprise Fund.....	21
J Statement of Fiduciary Net Assets - Agency Fund.....	22
K Notes to Financial Statements.....	23-46
 Required Supplementary Information:	
General Fund:	
<u>Schedule</u>	
1 Balance Sheet.....	47
2 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	48-53

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
Comprehensive Annual Financial Report
Table of Contents
June 30, 2012

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

INTRODUCTORY SECTION

ABBEVILLE COUNTY, SOUTH CAROLINA
List of Principal Officials
June 30, 2012

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

Other Officials:

Emily McMahan
Bruce Cooley
Ray W. Peck
Sue Simpson
Barry Devore
Lee Roper

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

FINANCIAL SECTION

MARTIN SMITH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, PA

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, 2012, 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, 2012, 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.

In accordance with Government Auditing Standards, we have also issued our report, dated December 14, 2012, on our consideration of Abbeville County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

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

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 States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as a whole. The combining and individual non-major 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 non-major 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.

Martin Smith & Company CPAs PA

December 14, 2012

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

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, 2012. 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 \$2,426,741, and net assets of governmental activities were \$14,762,198.

- The current year's expense total was \$12,893,859 as compared to the \$11,948,435 generated in fees and charges, grants, general revenues, and taxes for governmental programs. In the previous year, expenses were \$12,183,680 as compared to the \$12,703,529 generated in tax and other revenues for governmental programs.
- For business-type activities, revenues were \$991,434 and expenses were \$862,519.
- The annual cost of all County programs was \$13,756,378. The previous year's cost was \$13,085,123.

After analyzing the expenses compared to revenues, it can be determined that the County's governmental activities generated \$945,424 less than it spent. The \$945,424 net assets decrease was a decline from last year's increase in net assets of \$507,076.

The business-type activities realized an increase in net assets of \$128,915, as revenues of \$991,434 exceeded expenses of \$862,519.

When all funds are combined, the total primary government showed a decrease in net assets of \$816,509. The prior year combined net assets increased by \$654,251.

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

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's adopted and final revised budget.

- Proprietary funds: Proprietary funds are those that 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 and 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 is 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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

COUNTY AS A WHOLE

The County's combined net assets from the previous year were \$18,005,468 as compared to \$17,188,939 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 \$14,762,198 this year as compared to \$15,707,642 last year. Unrestricted net assets were \$2,217,567 last year as compared to \$1,664,895 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 \$2,426,741 this year as compared to \$2,297,826 last year.

Table 1
Net Assets

	Net Assets					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$ 6,894,133	\$ 9,926,428	\$ 4,025,025	\$ 2,792,329	\$ 10,919,158	\$ 12,718,757
Capital Assets	<u>16,577,095</u>	<u>14,872,916</u>	<u>952,777</u>	<u>1,012,368</u>	<u>17,529,872</u>	<u>15,885,284</u>
Total Assets	<u>23,471,228</u>	<u>24,799,344</u>	<u>4,977,802</u>	<u>3,804,697</u>	<u>28,449,030</u>	<u>28,604,041</u>
Liabilities						
Long-term Liabilities	6,942,466	7,567,961	60,686	118,695	7,003,152	7,686,656
Other Liabilities	<u>1,766,564</u>	<u>1,523,761</u>	<u>2,490,375</u>	<u>1,388,176</u>	<u>4,256,939</u>	<u>2,911,937</u>
Total Liabilities	<u>8,709,030</u>	<u>9,091,722</u>	<u>2,551,061</u>	<u>1,506,871</u>	<u>11,260,091</u>	<u>10,598,593</u>
Net Assets						
Invested in Capital Assets, Net of Debt	12,229,037	11,819,071	892,091	893,673	13,121,128	12,712,744
Restricted	2,402,916	3,075,157	-	-	2,402,916	3,075,157
Unrestricted	<u>130,245</u>	<u>813,414</u>	<u>1,534,650</u>	<u>1,404,153</u>	<u>1,664,895</u>	<u>2,217,567</u>
Total Net Assets	<u>\$ 14,762,198</u>	<u>\$ 15,707,642</u>	<u>\$ 2,426,741</u>	<u>\$ 2,297,826</u>	<u>\$ 17,188,939</u>	<u>\$ 18,005,468</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 2,502,207	2,344,313	837,361	967,257	3,339,568	3,311,570
Restricted:						
Operating grants	109,380	779,755	-	-	109,380	779,755
Capital grants	747,987	772,922	-	-	747,987	772,922
General revenue:						
Property taxes	5,803,463	6,861,493	-	-	5,803,463	6,861,493
Other taxes	534,501	499,098	-	-	534,501	499,098
Investment income	(8,787)	51,918	72,960	53,988	64,173	105,906
Other general revenue	2,259,684	1,394,030	81,113	27,373	2,340,797	1,421,403
Total Revenues	11,948,435	12,703,529	991,434	1,048,618	12,939,869	13,752,147
Program Expenses						
General government	2,363,771	2,212,970	-	-	2,363,771	2,212,970
Public safety	3,409,338	3,460,361	-	-	3,409,338	3,460,361
Roads and bridges	638,988	1,038,636	862,519	901,443	1,501,507	1,940,079
Solid waste	393,002	412,159	-	-	393,002	412,159
Health and welfare	1,865,959	1,967,352	-	-	1,865,959	1,967,352
Culture and recreation	170,842	164,719	-	-	170,842	164,719
Nondepartmental	3,148,575	2,354,972	-	-	3,148,575	2,354,972
Interest on long-term debt	386,678	278,475	-	-	386,678	278,475
Other expenses	516,706	294,036	-	-	516,706	294,036
Total Expenses	12,893,859	12,183,680	862,519	901,443	13,756,378	13,085,123
Excess (Deficiency)						
Before Transfers	(945,424)	519,849	128,915	147,175	(816,509)	667,024
Transfers	-	(12,773)	-	-	-	(12,773)
Increase (Decrease) in Net Assets	\$ (945,424)	507,076	128,915	147,175	(816,509)	654,251

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

GOVERNMENTAL ACTIVITIES

This year's governmental activities revenues were \$11,948,435 as compared to \$12,703,529 last year. The year's governmental activities cost was \$12,893,859 as compared to \$12,183,680 in the previous year.

The County's total net assets for all funds decreased by \$816,509 in the current year. The business-type activities saw a total increase in net assets of \$128,915 due to the County's continued ability to reduce expenses, while maintaining revenue levels. Governmental activities caused a reduction in net assets of \$945,424 due to significant increases in non-departmental and other expenses, coupled with significant declines in revenues.

In the prior year, the business-type activities generated \$147,175 more in revenues than expenses and the governmental activities realized a net positive comparison by generating \$507,076 more in revenues than expenses.

Governmental activities revenues decreased by \$755,054 from last year, while expenses increased by \$710,179. Comparing these numbers gives the governmental activities a net decrease of revenue over expenses from prior year to current by \$1,465,233.

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.

Table 3
 Governmental Activities
 For the Years Ended June 30

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General government	\$ 2,363,771	2,212,970	1,239,971	1,316,404
Public safety	3,409,338	3,460,361	1,973,778	1,698,964
Roads and bridges	638,988	1,038,636	(141,093)	261,132
Solid waste	393,002	412,159	372,869	412,159
Health and welfare	1,865,959	1,967,352	1,865,959	1,728,963
Culture and recreation	170,842	164,719	170,842	(58,415)
Nondepartmental	3,148,575	2,354,972	3,148,575	2,354,972
Interest on long-term debt	386,678	278,475	386,678	278,475
Other expenses	516,706	294,036	516,706	294,036
Totals	<u>\$ 12,893,859</u>	<u>12,183,680</u>	<u>9,534,285</u>	<u>8,286,690</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

BUSINESS-TYPE ACTIVITIES

This year's business-type activities revenues (see Table 2) were \$991,434 as compared to \$1,048,618 last year. This year's expenses were \$862,519 as compared to \$901,443 in the previous year. These figures are somewhat due to these reasons:

Business-type activities expenditures showed a decrease 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.

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.

COUNTY FUNDS

At year-end the County reported a government funds balance of \$4,141,468 as compared to \$7,863,348 in the previous year.

CAPITAL ASSETS

At the close of the year, the County had invested \$30,103,451 in capital assets such as land, buildings and improvements, equipment or infrastructure (see Table 4). \$27,447,308 was invested in similar assets last year.

Table 4
Capital Assets at June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 2,046,188	2,046,188	-	-	2,046,188	2,046,188
Construction in progress	2,714,455	222,521	-	-	2,714,455	222,521
Buildings and improvements	7,701,897	7,646,120	-	-	7,701,897	7,646,120
Equipment	6,044,737	5,936,306	-	-	6,044,737	5,936,306
Infrastructure	6,098,647	6,098,647	-	-	6,098,647	6,098,647
Landfill	-	-	4,394,636	4,394,636	4,394,636	4,394,636
Other	1,102,891	1,102,890	-	-	1,102,891	1,102,890
Cost of capital assets	25,708,815	23,052,672	4,394,636	4,394,636	30,103,451	27,447,308
Less accumulated depreciation	(9,131,720)	(8,179,756)	(3,441,859)	(3,382,268)	(12,573,579)	(11,562,024)
Cost of capital assets	<u>\$ 16,577,095</u>	<u>14,872,916</u>	<u>952,777</u>	<u>1,012,368</u>	<u>17,529,872</u>	<u>15,885,284</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

CAPITAL ASSETS, continued

The current year's significant capital asset additions included:

- \$1,868,222 – County Administration Building Renovations
- \$519,090 – County Library renovations
- \$117,181 – Donalds and Antreville EMS stations
- \$158,892 – Vehicles for Public Safety

DEBT MANAGEMENT

Table 5
 Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds (Backed by the County)	\$ 1,043,471	1,337,688	-	-	1,043,471	1,337,688
Revenue bonds and notes (Backed by specific tax and and fee revenues)	484,691	630,693	-	-	484,691	630,693
Facilities Corporation bonds	4,095,283	4,084,232	-	-	4,095,283	4,084,232
Other bonds or outstanding obligations	981,180	1,171,396	2,522,451	2,477,726	3,503,631	3,649,122
Totals	\$ 6,604,625	7,224,009	2,522,451	2,477,726	9,127,076	9,701,735

At the close of the year, the County had \$9,127,076 in outstanding bonds, notes, and other obligations as compared to \$9,701,735 in the previous year (see Table 5). The County's total outstanding debt decreased by \$574,659.

ECONOMIC ISSUES/UPCOMING YEARLY BUDGETS

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

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
June 30, 2012

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, 2012

	Primary Government			Component Unit
	Governmental Activites	Business-Type Activites	Total	
ASSETS				
Cash and cash equivalents	\$ 6,012,234	1,200,173	7,212,407	42,831
Investments	-	1,791,588	1,791,588	-
Receivables:				
Taxes, net	193,471	-	193,471	10,564
Accounts, net	-	26,295	26,295	-
Intergovernmental	600,230	2,957	603,187	-
Due from other funds	61,052	1,004,012	1,065,064	-
Prepaid expenses	11,688	-	11,688	10,442
Inventories	15,458	-	15,458	-
Capital assets	25,708,815	4,394,636	30,103,451	956,104
Less accumulated depreciation	(9,131,720)	(3,441,859)	(12,573,579)	(19,609)
Total capital assets net of depreciation	<u>16,577,095</u>	<u>952,777</u>	<u>17,529,872</u>	<u>936,495</u>
TOTAL ASSETS	<u>23,471,228</u>	<u>4,977,802</u>	<u>28,449,030</u>	<u>1,000,332</u>
LIABILITIES				
Accounts payable	302,617	16,995	319,612	2,831
Accrued expenses	441,181	6,819	448,000	3,955
Deferred revenue	-	-	-	8,370
Due to others	1,022,766	4,796	1,027,562	17,359
Landfill closure and post-closure costs	-	2,461,765	2,461,765	-
Long-term liabilities:				
Due within one year	940,377	60,686	1,001,063	-
Due in more than one year	6,002,089	-	6,002,089	-
TOTAL LIABILITIES	<u>8,709,030</u>	<u>2,551,061</u>	<u>11,260,091</u>	<u>32,515</u>
NET ASSETS				
Invested in capital assets, net of related debt	12,229,037	892,091	13,121,128	-
Restricted for:				
Debt service	80,606	-	80,606	-
Infrastructure	1,264,508	-	1,264,508	-
Various purposes	1,057,802	-	1,057,802	-
Unrestricted (deficit)	<u>130,245</u>	<u>1,534,650</u>	<u>1,664,895</u>	<u>967,817</u>
TOTAL NET ASSETS	<u>\$ 14,762,198</u>	<u>2,426,741</u>	<u>17,188,939</u>	<u>967,817</u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Primary Government		Total	Component Unit
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities		
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 2,363,771	1,123,800	-	-	(1,239,971)	-	(1,239,971)	-
Public safety	3,409,338	1,378,407	57,153	-	(1,973,778)	-	(1,973,778)	-
Roads and bridges	638,988	-	32,094	747,987	141,093	-	141,093	-
Solid waste	393,002	-	20,133	-	(372,869)	-	(372,869)	-
Health and welfare	1,865,959	-	-	-	(1,865,959)	-	(1,865,959)	-
Culture and recreation	170,842	-	-	-	(170,842)	-	(170,842)	-
Nondepartmental	3,148,575	-	-	-	(3,148,575)	-	(3,148,575)	-
Lump sum appropriation	386,678	-	-	-	(386,678)	-	(386,678)	-
Interest and fiscal charges	516,706	-	-	-	(516,706)	-	(516,706)	-
Total governmental activities	<u>12,893,859</u>	<u>2,502,207</u>	<u>109,380</u>	<u>747,987</u>	<u>(9,534,285)</u>	<u>-</u>	<u>(9,534,285)</u>	<u>-</u>
Business-type activity:								
Landfill	862,519	837,361	-	-	-	(25,158)	(25,158)	-
Total business-type activity	<u>862,519</u>	<u>837,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,158)</u>	<u>(25,158)</u>	<u>-</u>
Total primary government	<u>\$ 13,756,378</u>	<u>3,339,568</u>	<u>109,380</u>	<u>747,987</u>	<u>(9,534,285)</u>	<u>(25,158)</u>	<u>(9,559,443)</u>	<u>-</u>
COMPONENT UNIT	<u>\$ 336,523</u>	<u>-</u>	<u>-</u>	<u>-</u>				<u>(336,523)</u>
General revenues:								
Property taxes					\$ 5,803,463	-	5,803,463	198,013
Accommodation taxes					136,150	-	136,150	-
Local option sales taxes					398,351	-	398,351	-
Intergovernmental, not restricted to specific programs					1,943,267	4,716	1,947,983	70,864
Investment income					(8,787)	72,960	64,173	4
Donations					132,136	23,895	156,031	2,743
Other					184,281	52,502	236,783	12,434
Total general revenues, special, and extraordinary items					<u>8,588,861</u>	<u>154,073</u>	<u>8,742,934</u>	<u>284,058</u>
Change in net assets					(945,424)	128,915	(816,509)	(52,465)
Net assets, beginning of year					<u>15,707,622</u>	<u>2,297,826</u>	<u>18,005,448</u>	<u>1,020,283</u>
Net assets, end of year					<u>\$ 14,762,198</u>	<u>\$ 2,426,741</u>	<u>\$ 17,188,939</u>	<u>\$ 967,818</u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2012

	General	County Admin Building Project	County Library Renovations	Fire Commission	County "C" Funds	Solid Waste	E-911 Sub Tariffs Sp Rev Fund	Public Safety	Infrastructure Millage	Other Governmental Funds	Total Governmental Funds
ASSETS											
Cash and cash equivalents	\$ 988,192	1,668,509	588,058	141,872	85,522	228,013	162,162	164,833	782,936	1,202,137	6,012,234
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables:											
Taxes, net	125,915	4,040	-	18,762	-	17,947	-	-	13	26,794	193,471
Accounts, net	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	421,160	-	-	-	56,187	-	908	100	682	121,193	600,230
Due from other funds	61,052	-	-	-	-	-	-	-	-	-	61,052
Prepaid expenses	11,688	-	-	-	-	-	-	-	-	-	11,688
Inventories	15,458	-	-	-	-	-	-	-	-	-	15,458
TOTAL ASSETS	\$ 1,623,465	1,672,549	588,058	160,634	141,709	245,960	163,070	164,933	783,631	1,350,124	6,894,133
LIABILITIES											
Accounts payable	\$ 143,253	-	127,481	1,942	28,964	781	196	-	-	-	302,617
Accrued expenses	251,219	-	-	2,310	-	4,481	-	-	-	3,198	261,208
Deferred revenue	118,772	4,040	-	14,823	-	14,180	118	(6,502)	9	20,634	166,074
Due to others	979,976	-	-	1,382	-	2,927	-	-	-	38,481	1,022,766
Landfill closure and post-closure costs	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 1,493,220	4,040	127,481	20,457	28,964	22,369	314	(6,502)	9	62,313	1,752,665
FUND BALANCE											
Nonspendable	\$ 27,146	-	-	-	-	-	-	-	-	-	27,146
Restricted	-	1,668,509	460,577	140,177	112,745	223,591	162,756	171,435	783,622	806,925	4,530,337
Assigned	-	-	-	-	-	-	-	-	-	480,886	480,886
Unassigned	103,099	-	-	-	-	-	-	-	-	-	103,099
TOTAL FUND BALANCE	130,245	1,668,509	460,577	140,177	112,745	223,591	162,756	171,435	783,622	1,287,811	5,141,468
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,623,465	1,672,549	588,058	160,634	141,709	245,960	163,070	164,933	783,631	1,350,124	6,894,133

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Reconciliation of Total Governmental Fund Balances to the
Net Assets of Governmental Activities
June 30, 2012

Total fund balances - governmental funds	\$	5,141,468
<p>Amounts reported for governmental activities in the statement of net assets are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$25,708,815 and the accumulated depreciation is \$9,131,720.</p>		16,577,095
<p>Certain revenues are collected after year-end but are not available soon enough to pay for current expenditures and, therefore, are deferred in the funds</p>		166,074
<p>Long-term liabilities, including general obligation debt, capital leases, and accrued interest, are not due and payable in current period and are not reported in the funds.</p>		<u>(7,122,439)</u>
Net assets of governmental activities	\$	<u><u>14,762,198</u></u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2012

	General	County Admin Building Project	County Library Renovations	Fire Commission	County "C" Funds	Solid Waste	E-911 Sub Tariffs Sp Rev Fund	Public Safety	Infrastructure Millage	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES											
Taxes	\$ 4,987,774	146,771	-	380,094	-	363,569	-	-	26	472,329	6,350,563
Intergovernmental	1,567,133	-	-	4,354	747,987	20,133	38,183	-	-	407,674	2,785,464
Grants and donations	21,212	110,925	-	-	-	-	-	554	-	14,615	147,306
Charges for services	1,075,449	-	-	-	-	-	114,780	467,200	-	-	1,657,429
Rent	48,351	-	-	-	-	-	-	-	-	-	48,351
Fees and fines	340,607	-	-	-	-	-	-	-	-	290,867	631,474
Licenses and permits	164,953	-	-	-	-	-	-	-	-	-	164,953
Miscellaneous	154,546	29,424	5,504	(37)	-	790	-	-	29	(5,975)	184,281
Investment income	544	576	118	11	11	13	25	13	98	(10,196)	(8,787)
TOTAL REVENUES	8,360,569	287,696	5,622	384,422	747,998	384,505	152,988	467,213	707	1,169,314	11,961,034
EXPENDITURES											
Current:											
General government	2,216,363	-	-	17,500	-	-	-	-	-	2,071	2,235,934
Public safety	2,491,345	-	-	255,208	-	-	153,941	335,316	-	71,766	3,307,576
Roads and bridges	-	-	-	-	-	-	-	-	101,048	293,876	394,924
Solid waster	-	-	-	-	-	353,749	-	-	-	-	353,749
Health and welfare	1,793,542	-	-	-	-	-	-	-	-	-	1,793,542
Culture and recreation	170,842	-	-	-	-	-	-	-	-	-	170,842
Nondepartmental	2,311,222	-	-	-	699,807	-	-	-	-	126,495	3,137,524
Lump sum appropriation	-	-	-	58,300	-	-	-	104,839	-	223,539	386,678
Capital outlay	-	1,868,135	517,878	-	-	-	-	158,892	-	-	2,544,905
Debt service:	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	86,532	-	24,428	-	-	-	369,626	480,586
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	5,961	5,961
TOTAL EXPENDITURES	8,983,314	1,868,135	517,878	417,540	699,807	378,177	153,941	599,047	101,048	1,093,334	14,812,221
Excess (Deficiency) of revenues over (under) expenditures	(622,745)	(1,580,439)	(512,256)	(33,118)	48,191	6,328	(953)	(131,834)	(100,341)	75,980	(2,851,187)
OTHER FINANCING SOURCES (USES)											
Proceeds from installment purchase debt	-	-	-	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	129,307	-	-	129,307
Transfers	(60,424)	53,473	-	39,000	-	-	(46,848)	-	(53,473)	68,272	-
TOTAL OTHER FINANCING SOURCES (USES)	(60,424)	53,473	-	39,000	-	-	(46,848)	129,307	(53,473)	68,272	129,307
Net change in fund balance	(683,169)	(1,526,966)	(512,256)	5,882	48,191	6,328	(47,801)	(2,527)	(153,814)	144,252	(2,721,880)
Fund balance, beginning 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
Fund balance, end of year	\$ 130,245	1,668,509	460,577	140,177	112,745	223,591	162,756	171,435	783,622	1,287,811	5,141,468

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balance -- governmental funds	\$	(2,721,880)
<p>Amounts reported for governmental activities in the statement of activities are different because of the following:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,544,905) exceeded depreciation expense (\$1,004,674) in the period.</p>		1,540,251
<p>Certain revenues are collected after year-end but are not available soon enough to pay for current expenditures and, therefore, are deferred in the funds</p>		(12,619)
<p>Compensated absences are reported in the statement of activities as expenditures. However, they do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		6,111
<p>Amortization of issuance costs of debt is recognized over the original remaining life of the debt in the statement of net assets.</p>		(11,051)
<p>Interest is accrued on outstanding debt in the statement of activities, whereas in the governmental funds it is expensed as due.</p>		(97,515)
<p>Capital lease proceeds provide current financial resources to governmental funds, but issuing capital leases increases long-term liabilities in the statement of net assets</p>		(129,307)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		<u>480,586</u>
Change in net assets of governmental activities	\$	<u><u>(945,424)</u></u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Net Assets
Enterprise Fund
June 30, 2012

	<u>Landfill</u>
ASSETS	
Cash and cash equivalents	\$ 2,991,761
Accounts receivable, net	29,252
Due from other funds	1,004,012
Capital assets, net	<u>952,777</u>
Total Assets	<u>\$ 4,977,802</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	16,995
Accrued expenses	6,819
Capital lease payable	60,686
Due to other funds	4,796
Landfill closure and post closure costs	<u>2,461,765</u>
Total liabilities	<u>\$ 2,551,061</u>
Net assets	
Invested in capital assets, net of related debt	892,091
Unrestricted	<u>1,534,650</u>
Total net assets	<u>\$ 2,426,741</u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Revenue, Expenses and Changes in Fund Net Assets
Enterprise Fund
For the Fiscal Year Ended June 30, 2012

	<u>Landfill</u>
OPERATING REVENUES	
Landfill fee assessments	\$ 436,037
Landfill tickets and tip fees	303,645
Intergovernmental	28,611
Recycle fees	98,293
Other revenue	<u>51,888</u>
Total operating revenues	<u>918,474</u>
OPERATING EXPENSES	
Salaries personnel costs	312,811
Cost of services	363,009
Bad debt expense	2,176
Depreciation	59,591
Landfill closure cost	<u>123,787</u>
Total operating expenses	<u>861,374</u>
Operating income (loss)	<u>57,100</u>
NONOPERATING INCOME (EXPENSE)	
Investment income	72,960
Interest expense	<u>(1,145)</u>
Total nonoperating income (expense)	<u>71,815</u>
Net income (loss)	128,915
Operating transfer out	<u>-</u>
Net change in fund net assets	128,915
Net assets, beginning of year	<u>2,297,826</u>
Net assets, end of year	<u><u>\$ 2,426,741</u></u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Cash Flows
Enterprise Fund
For the Fiscal Year Ended June 30, 2012

	<u>Landfill</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,036,185
Cash payments to suppliers for goods and services	(392,440)
Cash payments to employees for services	<u>(320,799)</u>
Net Cash Provided by Operating Activities	<u>322,946</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>11,819</u>
Net Cash Used For Capital and Related Financing Activities	<u>11,819</u>
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES	
Principal Paid on Capital Lease	(58,009)
Interest Paid	<u>(1,145)</u>
Net Cash Used For Capital and Related Financing Activities	<u>(59,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	72,960
Purchase of Capital Assets	-
Proceeds from Sale of Capital Assets	<u>-</u>
Net Cash Provided by Investing Activities	<u>72,960</u>
Net increase (decrease) in cash and cash equivalents	348,571
Cash and cash equivalents - July 1, 2011	<u>2,643,190</u>
Cash and cash equivalents - June 30, 2012	<u>\$ 2,991,761</u>
Reconciliation of operating income (loss) to net cash received from (used by) operating activities:	
Operating income (loss) - Exhibit H	\$ 57,100
Adjustments to reconcile operating income (loss) to net cash received from (used by) operating activities:	
Depreciation	59,591
Change in assets and liabilities:	
(Increase) decrease in other receivables	116,080
Increase (decrease) in accounts payable	(4,571)
Increase (decrease) in accrued expenses	(7,988)
Increase (decrease) in landfill closure and post-closure payable	<u>102,734</u>
Net cash received from (used by) operating activities	<u>\$ 322,946</u>

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2012

ASSETS	
Cash and cash equivalents	\$ 4,564,814
Investments	-
Receivables:	
Taxes, net	266,005
Accounts, net	-
Intergovernmental	627,780
Due from other funds	-
Prepaid expenses	-
Inventories	-
	-
TOTAL ASSETS	\$ 5,458,599
 LIABILITIES	
Accounts payable	\$ 338,526
Accrued expenses	-
Deferred revenue	282,463
Due to others	2
Funds held in trust for others	1,386,818
Due to other taxong authorities	3,450,790
	3,450,790
TOTAL LIABILITIES	\$ 5,458,599
 NET ASSETS	
	-
TOTAL NET ASSETS	\$ -

The notes to the financial statements are an integral part of this statement.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The County of Abbeville (the “County”) 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 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 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, 2012. 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 in 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 out 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.

The APFC is governed at a minimum by a 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 the basic financial statements. Separate financial statements for the APFC are not issued.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Discretely Presented Component Unit

Effective July 1, 2002, the County created the Abbeville Library System, a 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 the 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, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a 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 inter-governmental 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.

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Measurement focus, basis of accounting, and financial statement presentation

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered 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 accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. 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.

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 is 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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Agency fund

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

As a general rule, the effect of inter-fund 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going 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 non-operating 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.

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 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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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, 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 60 days of fiscal year-end.

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance financial year 2011-2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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 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.

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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.

Inter-governmental Receivable

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

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 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.

Taxes uncollected at June 30, 2012 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 60 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 GASB 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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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 is computed using the straight-line method over the following useful lives.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	20 to 50 years	40 years
Building improvements	5 to 50 years	N/A
Land improvements	10 to 50 years	20 years
Vehicles	5 to 20 years	N/A
Furniture and equipment	3 to 10 years	5 years
Machinery and equipment	5 to 10 years	N/A
Infrastructure	5 to 50 years	N/A
Subtitle D landfill	N/A	16 years
C & D landfill	N/A	20 years

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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 expenditure and a fund liability of the governmental fund that will pay it in accordance with generally accepted accounting principles.

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 year, accrue 3.75 hours/month; length of service is 1 - 5 years, accrued 7.5 hours/month; length of service is 5 - 10 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 to another for sick 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 borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net assets component as the unspent proceeds. 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 or laws or regulations of other governments.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Fund Equity

The County has adopted GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In the fund financial statements, fund balance classifications depict the nature of the net resources reported in the governmental funds. Individual governmental funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The general fund also includes unassigned amounts. The County considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used. The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. Committed fund balance amounts are established by the County Council through motions passed at Council meetings. The County has no committed fund balance amounts. Assigned fund balance amounts are established by the County administration. The County has no assigned fund balance amounts.

Nonspendable fund balance includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The County's nonspendable fund balance represents amounts not in spendable form.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the County Council.

Assigned fund balance includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are established by the County administration.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

Interfund Transactions

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

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

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or 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 accounting principles generally accepted in the United States of America for all governmental funds except capital project funds. Capital project 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 includes proposed expenditures and the means of financing the expenditures.

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 no 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 thereof 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 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, the 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, 2012.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

2) **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information

Encumbrances are included in budgetary expenditures. Encumbered appropriations carry forward 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, 2012, the Victims Services special revenue fund reflected a fund balance deficit of \$29,421.

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, 2012, the carrying amount of the County's deposits was \$11,775,621 and the bank balance was \$11,730,480. All 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, 2012, the County had the following investments in its Landfill proprietary fund:

	Fair Value	Investment Maturities (in years)		
		Less Than 1	1-5	5-10
U.S. Treasury Obligations	\$ 860,448	\$ 190,784	\$ 528,827	\$ 140,837
U.S Government Agency Obligations	931,140	-	329,087	602,053
	\$ 1,791,588	\$ 190,784	\$ 857,914	\$ 742,890

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 County'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 it may invest in any one issuer. As of June 30, 2012, no single issuer investment exceeded 5% of total investments.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

3) **DEPOSITS AND INVESTMENTS, 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	\$ 11,775,622
Fair value of investments	1,791,588
Cash on hand	<u>1,600</u>
Total	<u>\$ 13,568,810</u>
Cash and cash equivalents	
Primary government	\$ 6,012,236
Fiduciary/Agency	<u>5,764,986</u>
	11,777,222
Investments	
Fiduciary/Agency	<u>1,791,588</u>
Total	<u>\$ 13,568,810</u>

The deposits for the Component Unit at June 30, 2012, were \$42,831, all of which were insured by FDIC.

4) **RECEIVABLES**

Receivables as of June 30, 2012, 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	\$ 193,471	\$ -	\$ 193,471
Intergovernmental	600,230	2,957	603,187
Accounts and other	-	45,651	45,651
Gross receivables	<u>793,701</u>	<u>48,608</u>	<u>842,309</u>
Less allowance	<u>-</u>	<u>(19,356)</u>	<u>(19,356)</u>
Net receivables	<u>\$ 793,701</u>	<u>\$ 29,252</u>	<u>\$ 822,953</u>

5) **INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2012, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 61,052	\$ 979,976
Special revenue funds	-	42,790
Enterprise fund	1,004,012	4,796
Library	-	17,359
Agency	-	2
	<u>\$ 1,065,064</u>	<u>\$ 1,044,923</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

6) **CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,046,188	\$ -	\$ -	\$ 2,046,188
Construction in progress	222,521	2,491,934	-	2,714,455
Total capital assets not being depreciated	<u>2,268,709</u>	<u>2,491,934</u>	<u>-</u>	<u>4,760,643</u>
Capital assets, being depreciated				
Buildings and improvements	7,646,120	55,777	-	7,701,897
Improvements other than buildings	1,102,890	-	-	1,102,890
Machinery and equipment	3,920,594	223,559	60,304	4,083,849
Equipment under capital lease	2,015,712	128,957	183,780	1,960,889
Infrastructure	6,098,647	-	-	6,098,647
Total capital assets being depreciated	<u>20,783,963</u>	<u>408,293</u>	<u>244,084</u>	<u>20,948,172</u>
Less accumulated depreciation	<u>8,179,756</u>	<u>1,004,674</u>	<u>52,710</u>	<u>9,131,720</u>
Total capital assets being depreciated, net	<u>12,604,207</u>	<u>(596,381)</u>	<u>191,374</u>	<u>11,816,452</u>
Governmental activities capital assets, net	<u>\$ 14,872,916</u>	<u>\$ 1,895,553</u>	<u>\$ 191,374</u>	<u>\$ 16,577,095</u>
Business-type activities:				
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>4,228,421</u>
Less: accumulated depreciation	<u>3,382,268</u>	<u>59,591</u>	<u>-</u>	<u>3,441,859</u>
Total capital assets being depreciated, net	<u>846,153</u>	<u>59,591</u>	<u>-</u>	<u>786,562</u>
Business-type activities capital assets, net	<u>\$ 1,012,368</u>	<u>\$ 59,591</u>	<u>\$ -</u>	<u>\$ 952,777</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

6) **CAPITAL ASSETS, CONTINUED**

Depreciation was charged to functions/programs as follows:

Governmental activities:

County government administration	\$ 133,948
Public safety	101,762
Roads and bridges	244,064
Solid waste	39,253
Health and welfare	72,417
Nondepartmental	<u>413,230</u>

Total depreciation expense - governmental activities	<u>\$ 1,004,674</u>
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Business-type activities:

Landfill	<u>\$ 59,591</u>
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Total depreciation expense - business-type activities	<u>\$ 59,591</u>
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7) **LONG-TERM DEBT**

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 2011 assessed property valuation of approximately \$55,000,000 the County's debt limit would approximate \$4,400,000.

Long-term debt currently outstanding is as follows as June 30, 2012:

General Obligation Refunding Bonds Series 2010, due in annual installments of principal through March 2015, interest payable semi-annually at 1.83%	\$ 857,000
Public Building General Obligation Bonds Series 1980, due in annual installments of principal and interest of \$29,385 through March 2020, interest at 5.00%	<u>186,471</u>
	<u>\$ 1,043,471</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

7) **LONG-TERM DEBT, CONTINUED**

Annual debt service requirements for General Obligation Bonds outstanding as of June 30, 2012 are as follows:

Year Ending June 30	Principal	Interest	Totals
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>\$ 1,043,471</u>	<u>\$ 72,481</u>	<u>\$ 1,115,952</u>

The amount available in the debt service fund to service the General Obligation Bonds is \$80,606.

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 transaction 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.

The annual requirements to amortize the County's Series 2010 General Obligation Refunding Bonds are as follows at June 30, 2012:

Year Ending June 30	Principal	Interest	Totals
2013	\$ 276,000	\$ 13,158	\$ 289,158
2014	286,000	8,015	294,015
2015	295,000	2,699	297,699
	<u>\$ 857,000</u>	<u>\$ 23,872</u>	<u>\$ 880,872</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

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, 2012, 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 heretofore. 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.

Year Ending				
June 30	Principal	Interest	Totals	
2013	\$ 153,522	\$ 24,961	\$ 178,483	
2014	161,428	17,055	178,483	
2015	<u>169,741</u>	<u>8,742</u>	<u>178,483</u>	
	<u>\$ 484,691</u>	<u>\$ 50,758</u>	<u>\$ 535,449</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 is not subject to the County's constitutional debt limit (8% of assessed value) since it was not directly issued by the County.

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

7) LONG-TERM DEBT, CONTINUED

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, 2012 was \$2,125,878.
- 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”.

The annual requirements to amortize the IPR are as follows at June 30, 2012:

Year Ending				
June 30	Principal	Interest	Totals	
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	<u>442,100</u>	<u>12,821</u>	<u>454,921</u>	
	<u>\$ 4,250,000</u>	<u>\$ 2,132,045</u>	<u>\$ 6,382,045</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:	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Machinery and equipment	\$ 1,960,889	\$ 202,979
Less accumulated depreciation	<u>700,066</u>	<u>115,988</u>
Total	<u>\$ 1,260,823</u>	<u>\$ 86,991</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

7) **LONG-TERM DEBT, CONTINUED**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities
2013	\$ 264,764	\$ 60,686
2014	161,097	-
2015	161,097	-
2016	161,097	-
2017-2021	<u>373,845</u>	<u>-</u>
Total minimum lease payment	1,121,900	60,686
Less amounts representing interest	<u>(140,720)</u>	<u>-</u>
Present value of minimum lease payments	<u>\$ 981,180</u>	<u>\$ 60,686</u>

Changes in Long-term Liabilities

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General Obligation Bonds Series 1980	\$ 204,688	\$ -	\$ 18,217	\$ 186,471	\$ 19,211
General Obligation Bonds Refunding Series 2010	1,133,000	-	276,000	857,000	276,000
Special Source Revenue Bonds Series 2009	630,693	-	146,002	484,691	153,521
Facilities Corp Installment Purchase Bond	4,250,000	-	-	4,250,000	40,000
Capital leases	1,171,396	129,307	319,523	981,180	287,704
Compensated absences	343,952	189,353	195,464	337,841	174,992
Issuance costs	<u>(165,768)</u>	<u>-</u>	<u>(11,051)</u>	<u>(154,717)</u>	<u>(11,051)</u>
	<u>\$ 7,567,961</u>	<u>\$ 318,660</u>	<u>\$ 944,155</u>	<u>\$ 6,942,466</u>	<u>\$ 940,377</u>

The general fund liquidates the compensated absences liability.

Business-Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital leases	\$ 118,695	\$ -	\$ 58,009	\$ 60,686
Municipal solid waste landfill closure cost	1,260,522	78,289	-	1,338,811
Post closure cost	<u>1,098,509</u>	<u>43,445</u>	<u>19,000</u>	<u>1,122,954</u>
	<u>\$ 2,477,726</u>	<u>\$ 121,734</u>	<u>\$ 77,009</u>	<u>\$ 2,522,451</u>

The County recognizes its liability for its solid waste landfill closure and post closure costs as long-term debt in the enterprise fund. For the year ended June 30, 2012, the liability increased by \$121,734 for landfill capacity used and decreased by \$19,000 for post closure completed.

For further explanation of the liability, see note 8.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

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. 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 \$380,000 at June 30, 2012. 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, 2012, the County had incurred an estimated liability of \$2,081,766, which represents the amount of costs reported to date based on an estimated seventy-six percent (81%) of landfill capacity used to date, and consulting engineer's analysis and estimates. The total liability under GASB 18 was \$2,461,765 as of June 30, 2012.

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, 2012, the County has \$1,811,190 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, 2012, is approximately 4.5 years, and the total estimated permitted capacity is approximately 40 years.

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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

10) RETIREMENT 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 9.385% and 11.363% 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:

<u>Year Ending</u> <u>June 30</u>	<u>Employer</u>		<u>Employee</u>	
	<u>SCRS</u>	<u>PORS</u>	<u>SCRS</u>	<u>PORS</u>
2012	\$ 328,454	\$ 212,612	\$ 227,486	\$ 121,615
2011	309,847	194,514	217,966	113,597
2010	<u>323,496</u>	<u>190,050</u>	<u>227,568</u>	<u>115,993</u>
2012 SCRS and PORS	\$ <u>541,066</u>		\$ <u>349,101</u>	

The total covered wages for the County and its component unit for the fiscal year presented are \$5,370,762. 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.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

10) **RETIREMENT PLAN, CONTINUED**

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, 9.385% plus the retiree surcharge of 3.5% from the employer in fiscal year 2012.

None of the County's employees have elected to be covered under any of the optional retirement plans as of June 30, 2012.

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.

<u>Consecutive Years of Service</u>	<u>Monthly Payment During Retirement</u>	<u>Maximum Total</u>
25 or more	576	20,000
20-25 years	207	15,000
15-20 years	137	10,000

During the fiscal year ended June 30, 2012, the County paid a total of \$44,572 on behalf of 14 retirees.

ABBEVILLE COUNTY, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2012

12) **DEFERRED COMPENSATION PLAN**

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 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.

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, 2012.

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
Year Ended June 30, 2012

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, 2012 there were two hospital revenue bonds outstanding and there were no industrial revenue bonds outstanding that the county has record of.

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, 2012, the carrying amount of the Library's deposits was \$42,831 and the bank balance was \$41,195. 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, 2012.

Capital Assets

Component unit capital asset activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Abbeville County Library:				
Capital assets not being depreciated				
Books	\$ 921,903	\$ 18,044	\$ 67,800	\$ 872,147
Collections	61,935	-	-	61,935
Total capital assets not being depreciated	<u>983,838</u>	<u>18,044</u>	<u>67,800</u>	<u>934,082</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	17,407	2,202	-	19,609
Total capital assets being depreciated, net	<u>4,615</u>	<u>(2,202)</u>	<u>-</u>	<u>2,413</u>
Governmental activities capital assets, net	<u>\$ 988,453</u>	<u>\$ 15,842</u>	<u>\$ 67,800</u>	<u>\$ 936,495</u>

16) **SUBSEQUENT EVENTS**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 14, 2012, the date the financial statements were available to be issued.

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash and cash equivalents	\$ 988,192
Investments	-
Receivables:	
Taxes, net	125,915
Accounts, net	-
Intergovernmental	421,160
Due from other funds	61,052
Prepaid expenses	11,688
Inventories	<u>15,458</u>
 TOTAL ASSETS	 \$ <u><u>1,623,465</u></u>
 LIABILITIES	
Accounts payable	\$ 143,253
Accrued expenses	251,219
Deferred revenue	118,772
Due to others	<u>979,976</u>
 TOTAL LIABILITIES	 <u>1,493,220</u>
 FUND BALANCE	
Nonspendable	27,146
Restricted	-
Assigned	-
Unassigned	<u>103,099</u>
 TOTAL FUND BALANCE	 <u>130,245</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u><u>1,623,465</u></u>

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
TAXES				
Current real estate	\$ 2,580,000	2,580,000	1,937,106	(642,894)
Homestead	325,000	325,000	373,215	48,215
Real property - delinquent	195,000	195,000	137,745	(57,255)
Multi-county industrial park fee	820,000	820,000	831,859	11,859
Vehicle	423,000	423,000	417,573	(5,427)
LOST property tax rollback	1,400,000	1,400,000	1,230,799	(169,201)
FILOT real estate	-	-	-	-
Manufacturing exempt	115,000	115,000	59,477	(55,523)
Total taxes	5,858,000	5,858,000	4,987,774	(870,226)
INTERGOVERNMENTAL				
Aid to subdivisions	825,000	825,000	782,349	(42,651)
City of Abbeville detention revenue	32,950	32,950	16,750	(16,200)
Ware Shoals detention revenue	200	200	550	350
Calhoun Falls detention revenue	4,000	4,000	6,475	2,475
Due West detention revenue	1,000	1,000	915	(85)
Donalds detention revenue	-	-	-	-
DSS reimbursement	30,000	30,000	23,461	(6,539)
Election supplies reimbursement	4,300	4,300	2,407	(1,893)
Local options sales tax	395,000	395,000	398,351	3,351
Miscellaneous state income	-	-	140	140
Motor carrier tax	17,500	17,500	17,851	351
Poll managers and registration board	24,000	24,000	13,863	(10,137)
Accommodations tax	29,500	29,500	28,590	(910)
Veterans' service officer	4,613	4,613	4,337	(276)
State salary supplement	7,836	7,836	6,300	(1,536)
Emergency management performance grant	27,774	27,774	7,133	(20,641)
Inmate labor	65,000	65,000	65,001	1
State inventory tax	12,557	12,557	12,557	-
Anderson County industrial park	60,000	60,000	70,260	10,260
Family court reimbursement	65,000	65,000	70,000	5,000
Sheriffs grant reimbursement	-	-	11,483	11,483
State treasurer	-	-	860	860
State court technology grant	-	-	-	-
Landfill - reimbursement	30,000	30,000	27,500	(2,500)
Total intergovernmental	1,636,230	1,636,230	1,567,133	(69,097)

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GRANTS AND DONATIONS				
Miscellaneous grant reimbursements	-	-	-	-
SC archive and historical grant	-	-	-	-
State treasury grant	-	-	-	-
EMS grant	9,000	9,000	21,212	12,212
Private donations	-	-	-	-
Total grants and donations	<u>9,000</u>	<u>9,000</u>	<u>21,212</u>	<u>12,212</u>
CHARGES FOR SERVICES				
Bill and collect municipalities	15,000	15,000	14,106	(894)
Tax collector costs	140,000	140,000	151,488	11,488
EMS service billing	663,470	663,470	605,750	(57,720)
Nonemergency services billing	214,000	214,000	282,277	68,277
Treasurer decal	19,000	19,000	19,093	93
Municipal election reimbursement	-	-	-	-
Industrial park landscape	-	-	-	-
Sheriff fees	4,000	4,000	2,735	(1,265)
Total charges for services	<u>1,055,470</u>	<u>1,055,470</u>	<u>1,075,449</u>	<u>19,979</u>
RENT				
LEC building	32,351	32,351	32,351	-
Old Milliken plant	-	-	16,000	16,000
Total rent	<u>32,351</u>	<u>32,351</u>	<u>48,351</u>	<u>16,000</u>
FINES AND FEES				
Child support fees	-	-	13,773	13,773
Clerk of court fees	225,000	225,000	139,634	(85,366)
Health department	5,000	5,000	3,006	(1,994)
Magistrate civil fee	49,000	49,000	14,520	(34,480)
Magistrate criminal fees	110,000	110,000	115,776	5,776
Worthless check program fees	200	200	848	648
Master in equity fees	20,000	20,000	34,477	14,477
Ordinances map zone	1,300	1,300	924	(376)
Returned check fee	-	-	1,071	1,071
Probate judge fees	42,000	42,000	16,578	(25,422)
Total fines and fees	<u>452,500</u>	<u>452,500</u>	<u>340,607</u>	<u>(111,893)</u>

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
LICENSES AND PERMITS				
Building permits	50,000	50,000	64,245	14,245
Cable television	83,000	83,000	100,086	17,086
Mobile home licenses	1,000	1,000	622	(378)
Total licenses and permits	<u>134,000</u>	<u>134,000</u>	<u>164,953</u>	<u>30,953</u>
MISCELLANEOUS				
Phone reimbursement-sheriff	10,000	10,000	6,808	(3,192)
US Treasury	-	-	15,900	15,900
State treasury pollution	-	-	800	800
Auditor temporary tags	1,500	1,500	1,455	(45)
Asset disposition	5,000	5,000	45,957	40,957
Copying and vending	1,500	1,500	175	(1,325)
Miscellaneous revenue	-	-	83,451	83,451
Total miscellaneous	<u>18,000</u>	<u>18,000</u>	<u>154,546</u>	<u>136,546</u>
INTEREST REVENUES				
Interest earned	1,000	1,000	544	(456)
Interest from holding fund	1,000	1,000	-	(1,000)
Total interest revenues	<u>2,000</u>	<u>2,000</u>	<u>544</u>	<u>(1,456)</u>
Total revenues	<u>9,197,551</u>	<u>9,197,551</u>	<u>8,360,569</u>	<u>(836,982)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
County council	109,431	109,431	99,952	9,479
Administration	92,350	92,350	87,363	4,987
Codes administration	72,156	72,156	73,450	(1,294)
Building codes and planning	-	-	-	-
Development services	150,970	150,970	126,991	23,979
Finance department	133,898	133,898	129,536	4,362
Planning department	77,785	77,785	82,681	(4,896)
Risk management	5,950	5,950	640	5,310
Clerk of court	257,957	257,957	247,329	10,628
Probate judge	126,172	126,172	117,177	8,995
Master in equity	14,652	14,652	14,465	187
Auditor	117,805	117,805	110,625	7,180

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT, continued				
Treasurer	192,789	192,789	181,058	11,731
Tax collector	202,013	202,013	181,134	20,879
Assessor	216,220	216,220	204,917	11,303
Registration and election	94,880	94,880	81,934	12,946
County attorney	36,000	36,000	36,023	(23)
Building and grounds	279,305	279,305	264,719	14,586
Veterans' affairs	62,748	62,748	58,619	4,129
External auditor	80,000	80,000	117,750	(37,750)
Total general government	<u>2,323,081</u>	<u>2,323,081</u>	<u>2,216,363</u>	<u>106,718</u>
PUBLIC SAFETY				
Solicitor	38,970	38,970	38,970	-
Sheriff	1,319,895	1,319,895	1,310,319	9,576
Sheriff grant disbursement	-	-	-	-
Magistrate	207,626	207,626	206,181	1,445
Public defender	26,790	26,790	26,790	-
Coroner	43,836	43,836	34,352	9,484
Detention center	942,978	942,978	874,733	68,245
Juvenile detention	-	-	-	-
Total public safety	<u>2,580,095</u>	<u>2,580,095</u>	<u>2,491,345</u>	<u>88,750</u>
HEALTH AND WELFARE				
Emergency management	1,359,635	1,359,635	1,365,444	(5,809)
Nonemergency transport	84,321	84,321	81,810	2,511
E-911 operations	298,983	298,983	346,288	(47,305)
Animal control	-	-	-	-
Total health and welfare	<u>1,742,939</u>	<u>1,742,939</u>	<u>1,793,542</u>	<u>(50,603)</u>
CULTURE AND RECREATION				
Recreation	29,520	29,520	32,214	(2,694)
Intergovernmental	106,658	106,658	138,628	(31,970)
Total culture and recreation	<u>136,178</u>	<u>136,178</u>	<u>170,842</u>	<u>(34,664)</u>

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
NONDEPARTMENTAL				
Health insurance	770,150	770,150	742,352	27,798
Payroll taxes	360,611	360,611	339,968	20,643
Retirement expense	469,630	469,630	459,672	9,958
Retiree defined contribution	37,422	37,422	44,573	(7,151)
Unemployment expense	45,000	45,000	26,618	18,382
Workman's compensation	185,000	185,000	195,453	(10,453)
Christmas bonus	-	-	-	-
IT management fees	59,500	59,500	51,766	7,734
IT computer hardware	18,000	18,000	28,554	(10,554)
Membership & dues	7,882	7,882	8,790	(908)
Bank fees and supplies	5,000	5,000	107	4,893
Building insurance	130,000	130,000	136,890	(6,890)
Telephone	41,000	41,000	38,524	2,476
Internet	11,000	11,000	9,120	1,880
Advertising	2,000	2,000	77	1,923
Copy machine	10,200	10,200	10,065	135
Data processing supplies	5,700	5,700	2,808	2,892
Postage meter expense	13,800	13,800	10,260	3,540
Interest expense	-	-	6,388	(6,388)
Professional services	15,000	15,000	17,157	(2,157)
Miscellaneous expense	-	-	3,870	(3,870)
Grant disbursement	-	-	-	-
Capital projects	-	-	-	-
Disbursements - federal grants	-	-	-	-
Debt service:				
Principal	178,484	178,484	178,210	274
Interest and fiscal charges	-	-	-	-
Total nondepartmental	2,365,379	2,365,379	2,311,222	54,157
Total expenditures	9,147,672	9,147,672	8,983,314	164,358
Excess (deficiency) of revenues over (under) expenditures	49,879	49,879	(622,745)	(1,001,340)

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
General Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>(49,879)</u>	<u>(49,879)</u>	<u>(60,424)</u>	<u>(10,545)</u>
Total other financing sources (uses)	<u>(49,879)</u>	<u>(49,879)</u>	<u>(60,424)</u>	<u>(10,545)</u>
Net change in fund balance	-	-	(683,169)	(1,011,885)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>813,414</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>130,245</u>	<u>(1,011,885)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Fire Commission
Special Revenue Major Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 361,040	361,040	380,094	19,054
Intergovernmental	4,213	4,213	4,354	141
Grants and donations	-	-	-	-
Charges for services	-	-	-	-
Rent	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	18,800	18,800	(37)	-
Investment income	100	100	11	(89)
Total revenues	<u>384,153</u>	<u>384,153</u>	<u>384,422</u>	<u>19,106</u>
EXPENDITURES				
General government	-	-	17,500	(17,500)
Public safety	263,241	263,241	255,208	8,033
Roads and bridges	-	-	-	-
Solid waster	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Lump sum appropriation	78,380	78,380	58,300	20,080
Capital outlay	-	-	-	-
Debt service	86,532	86,532	86,532	-
Total intergovernmental	<u>428,153</u>	<u>428,153</u>	<u>417,540</u>	<u>10,613</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfers	44,000	44,000	39,000	(5,000)
Total other financing sources (uses)	<u>44,000</u>	<u>44,000</u>	<u>39,000</u>	<u>(5,000)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
County "C" Funds
Special Revenue Major Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	747,987	747,987
Grants and donations	-	-	-	-
Charges for services	-	-	-	-
Rent	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
Investment income	-	-	11	11
Total revenues	<u>-</u>	<u>-</u>	<u>747,998</u>	<u>747,998</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Solid waster	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Nondepartmental	-	-	699,807	(699,807)
Lump sum appropriation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total intergovernmental	<u>-</u>	<u>-</u>	<u>699,807</u>	<u>(699,807)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Solid Waste
Special Revenue Major Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 363,134	363,134	363,569	435
Intergovernmental	20,042	20,042	20,133	91
Grants and donations	-	-	-	-
Charges for services	-	-	-	-
Rent	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	45,086	45,086	790	-
Investment income	100	100	13	(87)
Total revenues	<u>428,362</u>	<u>428,362</u>	<u>384,505</u>	<u>439</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Solid waster	397,854	397,854	353,749	44,105
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Lump sum appropriation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	24,428	24,428	24,428	-
Total intergovernmental	<u>422,282</u>	<u>422,282</u>	<u>378,177</u>	<u>44,105</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
E-911 Sub Tariffs Sp Rev Fund
Special Revenue Major Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Intergovernmental	48,000	48,000	38,183	(9,817)
Grants and donations	-	-	-	-
Charges for services	123,000	123,000	114,780	(8,220)
Rent	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	23,980	23,980	-	-
Investment income	50	50	25	(25)
Total revenues	<u>195,030</u>	<u>195,030</u>	<u>152,988</u>	<u>(18,062)</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	148,182	148,182	153,941	(5,759)
Roads and bridges	-	-	-	-
Solid waster	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Lump sum appropriation	-	-	-	-
Capital outlay	46,848	46,848	-	46,848
Debt service	-	-	-	-
Total intergovernmental	<u>195,030</u>	<u>195,030</u>	<u>153,941</u>	<u>41,089</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	-
Transfers	-	-	(46,848)	(46,848)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(46,848)</u>	<u>(46,848)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Public Safety
Special Revenue Major Fund
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2012

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Grants and donations	-	-	-	-
Charges for services	455,000	455,000	467,200	12,200
Rent	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Miscellaneous	100,000	100,000	-	-
Investment income	100	100	13	(87)
Total revenues	<u>555,100</u>	<u>555,100</u>	<u>467,213</u>	<u>12,113</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	374,967	374,967	335,316	39,651
Roads and bridges	-	-	-	-
Solid waster	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Nondepartmental	-	-	-	-
Lump sum appropriation	108,482	108,482	104,839	3,643
Capital outlay	190,303	190,303	158,892	31,411
Debt service	-	-	-	-
Total intergovernmental	<u>673,752</u>	<u>673,752</u>	<u>599,047</u>	<u>74,705</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	169,103	169,103	129,307	(39,796)
Transfers	-	-	-	-
Total other financing sources (uses)	<u>169,103</u>	<u>169,103</u>	<u>129,307</u>	<u>(39,796)</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Total Nonmajor Spec Rev Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,125,637	76,500	1,202,137
Investments	-	-	-
Receivables:			
Taxes, net	8,216	18,578	26,794
Accounts, net	-	-	-
Intergovernmental	121,193	-	121,193
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Inventories	-	-	-
Capital assets	-	-	-
Less accumulated depreciation	-	-	-
Total capital assets net of depreciation	-	-	-
TOTAL ASSETS	1,255,046	95,078	1,350,124
LIABILITIES			
Accounts payable	-	-	-
Accrued expenses	3,198	-	3,198
Deferred revenue	6,162	14,472	20,634
Due to others	38,481	-	38,481
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
TOTAL LIABILITIES	47,841	14,472	62,313
FUND BALANCE			
Nonspendable	-	-	-
Restricted	726,319	80,606	806,925
Assigned	480,886	-	480,886
Unassigned	-	-	-
TOTAL FUND BALANCE	1,207,205	80,606	1,287,811
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,255,046	95,078	1,350,124

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 150,229	322,100	472,329
Intergovernmental	403,089	4,585	407,674
Grants and donations	14,615	-	14,615
Charges for services	-	-	-
Rent	-	-	-
Fees and fines	290,867	-	290,867
Licenses and permits	-	-	-
Miscellaneous	27,066	(33,041)	(5,975)
Investment income	81	(10,277)	(10,196)
TOTAL REVENUES	885,947	283,367	1,169,314
EXPENDITURES			
Current:			
General government	2,071	-	2,071
Public safety	71,766	-	71,766
Roads and bridges	293,876	-	293,876
Solid waster	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Nondepartmental	126,495	-	126,495
Lump sum appropriation	223,539	-	223,539
Capital outlay	-	-	-
Debt service:			
Principal retirement	46,032	323,594	369,626
Cost of issuance	-	-	-
Interest and fiscal charges	-	5,961	5,961
TOTAL EXPENDITURES	763,779	329,555	1,093,334
Excess (Deficiency) of revenues over (under) expenditures	122,168	(46,188)	75,980
OTHER FINANCING SOURCES (USES)			
Proceeds from installment purchase debt	-	-	-
Proceeds from capital lease	-	-	-
Transfers	5,924	62,348	68,272
TOTAL OTHER FINANCING SOURCES (USES)	5,924	62,348	68,272
Net change in fund balance	128,092	16,160	144,252
Fund balance, beginning of year	1,079,113	64,446	1,143,559
Fund balance, end of year	\$ 1,207,205	80,606	1,287,811

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Road Maintenance	Accommodations Tax	Victims' Services	Clerk Family Court	DSS Child Support	Sheriff Family Court
ASSETS						
Cash and cash equivalents	\$ 180,448	3,104	2,414	100,261	96,212	24,784
Investments	-	-	-	-	-	-
Receivables:						
Taxes, net	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	-
Intergovernmental	-	104,506	-	910	8,580	231
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
TOTAL ASSETS	\$ 180,448	107,610	2,414	101,171	104,792	25,015
LIABILITIES						
Accounts payable	\$ -	-	-	-	-	-
Accrued expenses	2,483	-	715	-	-	-
Deferred revenue	(348)	-	-	-	-	-
Due to others	7,361	-	31,120	-	-	-
TOTAL LIABILITIES	9,496	-	31,835	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	170,952	107,610	(29,421)	101,171	104,792	25,015
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCE	170,952	107,610	(29,421)	101,171	104,792	25,015
TOTAL LIABILITIES AND FUND BALANCE	\$ 180,448	107,610	2,414	101,171	104,792	25,015

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Infrastructure Dev Sp Rev Fund	Title III Forest Funds	Emergency Management Donations	Rural Fire Donations	Animal Rescue	E911 Donations
ASSETS						
Cash and cash equivalents	\$ 480,886	22,347	7,666	20,769	1,540	1
Investments	-	-	-	-	-	-
Receivables:						
Taxes, net	-	-	-	-	-	-
Accounts, net	-	-	-	-	-	-
Intergovernmental	-	-	5,500	-	184	1,282
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
TOTAL ASSETS	\$ 480,886	22,347	13,166	20,769	1,724	1,283
LIABILITIES						
Accounts payable	\$ -	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	-	22,347	13,166	20,769	1,724	1,283
Assigned	480,886	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCE	480,886	22,347	13,166	20,769	1,724	1,283
TOTAL LIABILITIES AND FUND BALANCE	\$ 480,886	22,347	13,166	20,769	1,724	1,283

Continued

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Sheriff BJA Grant	Competitive Grant	Piedmont Technical College	Sheriff Drug Forfeitures	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 20,076	31,274	50,471	83,384	1,125,637
Investments	-	-	-	-	-
Receivables:					
Taxes, net	-	-	8,216	-	8,216
Accounts, net	-	-	-	-	-
Intergovernmental	-	-	-	-	121,193
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventories	-	-	-	-	-
TOTAL ASSETS	\$ 20,076	31,274	58,687	83,384	1,255,046
LIABILITIES					
Accounts payable	\$ -	-	-	-	-
Accrued expenses	-	-	-	-	3,198
Deferred revenue	-	-	6,510	-	6,162
Due to others	-	-	-	-	38,481
TOTAL LIABILITIES	-	-	6,510	-	47,841
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	20,076	31,274	52,177	83,384	726,319
Assigned	-	-	-	-	480,886
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	20,076	31,274	52,177	83,384	1,207,205
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,076	31,274	58,687	83,384	1,255,046

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Road Maintenance	Accommodations Tax	Victims' Services	Clerk Family Court	DSS Child Support	Sheriff Family Court
REVENUES						
Taxes	\$ -	-	-	-	-	-
Intergovernmental	31,540	107,559	-	16,872	107,897	8,118
Grants and donations	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Fees and fines	263,746	-	27,121	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous	5,000	-	-	-	-	-
Investment income	25	6	1	11	(25)	2
TOTAL REVENUES	300,311	107,565	27,122	16,883	107,872	8,120
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,071
Public safety	-	-	36,054	-	-	-
Roads and bridges	293,876	-	-	-	-	-
Solid waster	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Nondepartmental	-	28,590	-	-	97,905	-
Lump sum appropriation	-	68,216	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	46,032	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
TOTAL EXPENDITURES	339,908	96,806	36,054	-	97,905	2,071
Excess (Deficiency) of revenues over (under) expenditures	(39,597)	10,759	(8,932)	16,883	9,967	6,049
OTHER FINANCING SOURCES (USES)						
Proceeds from installment purchase debt	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-
Transfers	-	45	5,879	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	45	5,879	-	-	-
Net change in fund balance	(39,597)	10,804	(3,053)	16,883	9,967	6,049
Fund balance, beginning of year	210,549	96,806	(26,368)	84,288	94,825	18,966
Fund balance, end of year	\$ 170,952	107,610	(29,421)	101,171	104,792	25,015

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, 2012

	Infrastructure Dev Sp Rev Fund	Title III Forest Funds	Emergency Management Donations	Rural Fire Donations	Animal Rescue	E911 Donations
REVENUES						
Taxes	\$ -	-	-	-	-	-
Intergovernmental	107,000	22,011	-	-	-	-
Grants and donations	-	-	-	14,615	-	-
Charges for services	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous	6	-	14,499	-	184	1,402
Investment income	46	-	-	2	-	-
TOTAL REVENUES	107,052	22,011	14,499	14,617	184	1,402
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	3,597	12,879	-	130
Roads and bridges	-	-	-	-	-	-
Solid waster	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-
Lump sum appropriation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	3,597	12,879	-	130
Excess (Deficiency) of revenues over (under) expenditures	107,052	22,011	10,902	1,738	184	1,272
OTHER FINANCING SOURCES (USES)						
Proceeds from installment purchase debt	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net change in fund balance	107,052	22,011	10,902	1,738	184	1,272
Fund balance, beginning of year	373,834	336	2,264	19,031	1,540	11
Fund balance, end of year	\$ 480,886	22,347	13,166	20,769	1,724	1,283

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, 2012

	Sheriff BJA Grant	Competitive Grant	Piedmont Technical College	Sheriff Drug Forfeitures	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	\$ -	-	150,229	-	150,229
Intergovernmental	-	-	2,092	-	403,089
Grants and donations	-	-	-	-	14,615
Charges for services	-	-	-	-	-
Rent	-	-	-	-	-
Fees and fines	-	-	-	-	290,867
Licenses and permits	-	-	-	-	-
Miscellaneous	-	-	-	5,975	27,066
Investment income	3	4	6	-	81
TOTAL REVENUES	3	4	152,327	5,975	885,947
EXPENDITURES					
Current:					
General government	-	-	-	-	2,071
Public safety	4,270	559	-	14,277	71,766
Roads and bridges	-	-	-	-	293,876
Solid waster	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Nondepartmental	-	-	-	-	126,495
Lump sum appropriation	-	-	155,323	-	223,539
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	46,032
Cost of issuance	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	4,270	559	155,323	14,277	763,779
Excess (Deficiency) of revenues over (under) expenditures	(4,267)	(555)	(2,996)	(8,302)	122,168
OTHER FINANCING SOURCES (USES)					
Proceeds from installment purchase debt	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-
Transfers	-	-	-	-	5,924
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	5,924
Net change in fund balance	(4,267)	(555)	(2,996)	(8,302)	128,092
Fund balance, beginning of year	24,343	31,829	55,173	91,686	1,079,113
Fund balance, end of year	\$ 20,076	31,274	52,177	83,384	1,207,205

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2012

	County GOB 2010 Millage	County Office Building 1980	General County Debt Service	Law Enforcement Bond Proceeds	Total Nonmajor Debt Service Funds
ASSETS					
Cash and cash equivalents	\$ 65,285	10,100	1,115	-	76,500
Investments	-	-	-	-	-
Receivables:					
Taxes, net	17,054	1,467	-	57	18,578
Accounts, net	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventories	-	-	-	-	-
TOTAL ASSETS	\$ 82,339	11,567	1,115	57	95,078
LIABILITIES					
Accounts payable	\$ -	-	-	-	-
Accrued expenses	-	-	-	-	-
Deferred revenue	13,300	1,163	-	9	14,472
Due to others	-	-	-	-	-
TOTAL LIABILITIES	13,300	1,163	-	9	14,472
FUND BALANCE					
Nonspendable	-	-	-	-	-
Restricted	69,039	10,404	1,115	48	80,606
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	69,039	10,404	1,115	48	80,606
TOTAL LIABILITIES AND FUND BALANCE	\$ 82,339	11,567	1,115	57	95,078

ABBEVILLE COUNTY, SOUTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2012

	County GOB 2010 Millage	County Office Building 1980	General County Debt Service	Law Enforcement Bond Proceeds	Total Nonmajor Debt Service Funds
REVENUES					
Taxes	\$ 294,537	27,260	281	22	322,100
Intergovernmental	4,178	407	-	-	4,585
Grants and donations	-	-	-	-	-
Charges for services	-	-	-	-	-
Rent	-	-	-	-	-
Fees and fines	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Miscellaneous	(33,041)	-	-	-	(33,041)
Investment income	(10,279)	2	-	-	(10,277)
TOTAL REVENUES	<u>255,395</u>	<u>27,669</u>	<u>281</u>	<u>22</u>	<u>283,367</u>
EXPENDITURES					
Debt service:					
Principal retirement	294,209	29,385	-	-	323,594
Cost of issuance	-	-	-	-	-
Interest and fiscal charges	5,961	-	-	-	5,961
TOTAL EXPENDITURES	<u>300,170</u>	<u>29,385</u>	<u>-</u>	<u>-</u>	<u>329,555</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(44,775)</u>	<u>(1,716)</u>	<u>281</u>	<u>22</u>	<u>(46,188)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from installment purchase debt	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-
Transfers	62,348	-	-	-	62,348
TOTAL OTHER FINANCING SOURCES (USES)	<u>62,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,348</u>
Net change in fund balance	17,573	(1,716)	281	22	16,160
Fund balance, beginning of year	<u>51,466</u>	<u>12,120</u>	<u>834</u>	<u>26</u>	<u>64,446</u>
Fund balance, end of year	<u>\$ 69,039</u>	<u>10,404</u>	<u>1,115</u>	<u>48</u>	<u>80,606</u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Schedule of Clerk of Court Fees and Fines - UNAUDITED
For the Fiscal Year Ended June 30, 2012

<u>Amounts retained by County Treasurer</u>	
Fines	\$ 168,023
Assessments	-
Surcharges	<u>-</u>
Total retained by County Treasurer:	<u><u>\$ 168,023</u></u>
<u>Amounts remitted to State Treasurer</u>	
Fines	\$ -
Assessments	123,453
Surcharges	<u>5,895</u>
Total remitted to State Treasurer	<u><u>\$ 129,348</u></u>
<u>Amounts allocated to Victims' Services</u>	
Fines	\$ -
Assessments	579
Surcharges	<u>7,054</u>
Total allocated to Victims' Services	<u><u>\$ 7,633</u></u>

ABBEVILLE COUNTY, SOUTH CAROLINA
Schedule of Magistrate Fees and Fines
For the Fiscal Year Ended June 30, 2012

<u>Amounts retained by County Treasurer</u>	
Fines	\$ -
Fees	14,997
Surcharges	<u>10,234</u>
Total retained by County Treasurer:	<u><u>\$ 25,231</u></u>
<u>Amounts remitted to State Treasurer</u>	
Fines	\$ -
Assessments	132,865
Surcharges	<u>67,610</u>
Total remitted to State Treasurer	<u><u>\$ 200,475</u></u>
<u>Amounts allocated to Victims' Services</u>	
Fines	\$ -
Assessments	14,997
Surcharges	<u>10,234</u>
Total allocated to Victims' Services	<u><u>\$ 25,231</u></u>
<u>Victims' services</u>	
Beginning fund balance (deficit)	\$ (9,490)
Revenues	27,122
Less expenditures	<u>(30,175)</u>
Ending fund balance (deficit)	<u><u>\$ (12,543)</u></u>

ABBEVILLE COUNTY LIBRARY
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Revenues	Expenditures	Balance June 30, 2012
SOURCES OF FUNDS				
Local sources:				
County tax appropriations	\$ 26,268	194,946	207,049	14,165
Fees and fines	12,884	12,286	12,286	12,884
Gifts and donations	4,000	-	-	4,000
Other local sources	44,959	90	90	44,959
Total local sources	<u>88,111</u>	<u>207,322</u>	<u>219,425</u>	<u>76,008</u>
State sources:				
State aid	-	60,000	60,000	-
Education lottery	6,397	10,059	-	16,456
Other state (including Capital Improvement Funds)	8,743	-	-	8,743
State grant - travel	22	-	-	22
State public access hardware upgrade grant	-	-	-	-
Motor carrier	2,019	801	801	2,019
Total state sources	<u>17,181</u>	<u>70,860</u>	<u>60,801</u>	<u>27,240</u>
Federal sources:				
Library services and technology act	-	2,743	4,418	(1,675)
Other federal	-	-	-	-
Total federal sources	<u>-</u>	<u>2,743</u>	<u>4,418</u>	<u>(1,675)</u>
Total all sources of funds	<u>\$ 105,292</u>	<u>280,925</u>	<u>284,644</u>	<u>101,573</u>