

REPORT ON FINANCIAL STATEMENTS
OF
FAIRFIELD COUNTY
WINNSBORO, SOUTH CAROLINA
FOR THE YEAR ENDED
JUNE 30, 2011

FAIRFIELD COUNTY
WINNSBORO, SOUTH CAROLINA
Report on Financial Statements
For the year ended June 30, 2011

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FINANCIAL SECTION



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Chairman and
Members of the County Council
Fairfield County
Winnsboro, South Carolina

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fairfield County, South Carolina (the County) as of and for the year ended June 30, 2011, which collectively comprise the 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 opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the primary government of Fairfield County, South Carolina, as of June 30, 2011, and the respective changes in financial position 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 16, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

Management's discussion and analysis, budgetary comparison information and Schedule of Funding Progress for the Other Post Employment Benefit Plan, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and accompanying Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and accompanying Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Elliott Davis, LLC

Columbia, South Carolina
December 16, 2011

FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

As management of Fairfield County, we offer readers of Fairfield County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. Please read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which immediately follow this section.

STATISTICAL DATA

- Approximately 687 square miles
- Within 30 miles of the geographic center of South Carolina
- Stable population of 23,956
- Bordered on the:
 - South by Richland County whose county seat is Columbia, the state capital
 - East by the Wateree River
 - West by the Broad River
 - North by Chester County
- Highways
 - Serviced North and South by Interstate 77 and US Highways 321 and 21
 - Serviced East and West by State Highways 34, 200, 213, 215, and 269
- Rail
 - Serviced north and south by Norfolk Southern Rail Way
- Air
 - 5,000-foot runway general aviation airport owned by Fairfield County and operated by a private contractor
- Governed by a 7 person County Council elected on a non-partisan basis from their respective districts. Operating under the State of South Carolina Home Rule, County Council has adopted the Council/Administrator form of government.

Geographically, Fairfield County is positioned to begin benefiting from the growth of our sister county to the south, Richland County, home of the state capital. We provide a quality of life envied by most, a small town atmosphere and friendliness while a short commuting distance to more urban economic centers. Our tax base is stable as the largest taxpayer is an energy producing facility; however, we recognize the need to diversify our economy. Therefore, County Council is concentrating many resources to develop several industrial parks where businesses may locate and provide employment to our citizens.

In addition to providing funding to develop the industrial parks, we must be about the business of administering a county government. This is an expensive undertaking. With unfunded mandates from higher levels of government and reducing revenue sources, we must look for ways to minimize the tax burden on our citizens. We are approaching this on two fronts: (1) broadening the tax base through increased economic development and (2) having intense operational reviews of expenditures. Our expenditure reviews include the traditional items such as: competitive bidding, extending the period for filling vacancies, eliminating overtime, etc. Some non-traditional, cost cutting ideas include better training of employees as well as containing and reducing expenditures in areas such as insurance, risk management, safety, workers compensation, and unemployment compensation.

FINANCIAL HIGHLIGHTS

- The County's financial condition has continued to maintain revenues at a relatively constant level over this period.
- **Net assets** - The County's governmental activities assets exceeded its liabilities at June 30, 2011 by \$40,073,116 (net assets). Of this amount, \$15,934,741 were unrestricted net assets, which means these funds may be used to meet the County's ongoing obligations.
- **Change in net assets** - The County's net assets increased over the course of this year's operations. Net assets of the governmental activities increased by \$5,059,233.
- **General fund** - The principal operating fund of the County is the general fund. In fiscal year 2011, general fund revenues and other financing sources, which primarily consisted of property taxes and intergovernmental revenues, were \$23,162,905. Expenditures and net transfers out of the general fund were \$22,317,439. This resulted in an increase in the fund balance for the year of \$845,466.
- **General fund budget** - The general fund actual revenues were greater than the final budget amounts by \$1,671,847 due primarily to greater than expected collections of property and sales taxes. General fund actual expenditures were less than the final budget amounts by \$1,982,147. This variance is primarily due to a concerted effort to control expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements (Statement of Net Assets and Statement of Activities) are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements outline functions of the County that are principally supported by property taxes, state aid, intergovernmental grants and various charges for services, fines and fees. The governmental activities of the County include general government, public safety, public works, environment and housing, health and welfare, judicial, cultural and recreation and non-departmental allocations expenditures.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused compensated absences).

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary funds - The County is the trustee, or fiduciary, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 to 32.

Supplemental information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the County's budget for the year and other supplementary information schedules.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$40,073,116 as of June 30, 2011.

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

The County's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the County's net assets for the fiscal years ended June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>	<u>Percentage Change</u>
Current assets	\$ 25,423,039	\$ 26,696,860	(4.8)%
Noncurrent assets	585,120	-	100.0%
Capital assets, net	<u>25,238,882</u>	<u>21,397,536</u>	18.0%
Total assets	<u>51,247,041</u>	<u>48,094,396</u>	6.6%
Current liabilities	2,787,638	3,938,558	(29.2)%
Long-term liabilities	<u>8,386,287</u>	<u>9,141,955</u>	(8.3)%
Total liabilities	<u>11,173,925</u>	<u>13,080,513</u>	(14.6)%
Net assets			
Invested in capital assets, net of related debt	20,845,055	18,771,067	11.0%
Restricted	3,293,320	549,441	499.4%
Unrestricted	<u>15,934,741</u>	<u>15,693,375</u>	1.5%
Total net assets	<u>\$ 40,073,116</u>	<u>\$ 35,013,883</u>	14.4%

Change in net assets - The County's total revenues for the fiscal year ended June 30, 2011 were \$32,515,227. The total cost of all programs and services was \$27,455,994. The table below presents a summary of the activity that resulted changes in net assets for the fiscal years ended June 30, 2011 and 2010.

Compared to fiscal year 2010, the County's revenues increased and expenses decreased due primarily to the following:

- **Operating and capital grants and contributions**- During fiscal year 2011, the County received a similar level of grant funding as compared to the prior year. However, the mixture of operating and capital grants changed during 2011 with the County receiving more capital grants than operating grants. The most significant capital grant was approximately \$1,149,000 in federal sources to assist in funding for construction of the County's Quick Jobs facility.
- **Property and accommodations taxes** - The County increased their property tax millage rate for the 2010 tax year.
- **Sales taxes** - The increase in sales taxes are a result of the County's focus on bringing additional economic development to the County.
- **Investment income (loss)** - During fiscal year 2010, the County recorded an approximate \$500,000 loss on investment after agreeing to sell a building previously held for resale.
- **Gain (loss) on sale of capital assets** - The County received proceeds of approximately \$24,800 from the sale of capital assets. The proceeds were less than the net book value of the capital assets and therefore the County recorded an approximate \$65,200 loss on sale of capital assets.
- **Dissolution of the Rural Fire Protection District component unit** - During April 2011, County Council elected to dissolve the Rural Fire Protection District (the District) as a component unit of the County. The County recorded the District's fund balance as of the date of the dissolution as an other financing source in the newly established Fire Protection Tax District special revenue fund.
- **General government** - General government expenses decreased by approximately \$795,000 due to the completion of various building maintenance and improvement projects across the County in the prior year.
- **Public safety** - Public safety expenses increased during fiscal year 2011 due to the inclusion of the Fire Protection Tax District as a special revenue fund of the County.
- **Other functional expenses** - The decrease in the other functional expenses categories (public works and utilities, health and welfare, judicial, and cultural and recreation) are the result of the County's continual and mindful evaluation of expenses.

	<u>2011</u>	<u>2010</u>	<u>Percentage Change</u>
Revenues			
Program revenues			
Charges for services	\$ 2,614,129	\$ 2,840,618	(8.0)%
Operating grants and contributions	1,514,308	2,190,526	(30.9)%
Capital grants and contributions	1,451,741	649,842	123.4%
General revenues			
Property and accommodations taxes	22,621,510	21,526,832	5.1%
Sales taxes	1,999,954	1,812,815	10.3%
Investment income (loss)	173,351	(403,803)	(142.9)%
Intergovernmental	990,561	1,173,275	(15.6)%
Gain (loss) on sale of capital assets	(65,222)	221,395	(129.5)%
Miscellaneous	180,555	283,368	(36.3)%
Dissolution of the Rural Fire Protection District component unit	<u>1,034,340</u>	<u>-</u>	100.0%
Total revenues	<u>32,515,227</u>	<u>30,294,868</u>	7.3%
Expenses			
General government	9,345,873	10,140,651	(7.8)%
Public safety	5,278,314	4,909,822	7.5%
Public works and utilities	1,591,413	1,771,468	(10.2)%
Health and welfare	8,311,694	8,655,251	(4.0)%
Judicial	1,040,443	1,090,759	(4.6)%
Cultural and recreation	1,512,204	1,639,012	(7.7)%
Interest and fiscal charges	<u>376,053</u>	<u>251,239</u>	49.7%
Total expenses	<u>27,455,994</u>	<u>28,458,202</u>	(3.5)%
Increase in net assets	<u>\$ 5,059,233</u>	<u>\$ 1,836,666</u>	175.5%

Governmental activities - The table below presents the cost of the seven major functional activities: general government, public safety, public works, health and welfare, judicial, cultural and recreation, and debt service. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and County's taxpayers by each of these functions.

	<u>Total Expenses</u>	<u>Net (Expense) Revenue</u>
General government	\$ 9,345,873	\$ (7,174,324)
Public safety	5,278,314	(4,047,785)
Public works and utilities	1,591,413	(863,964)
Health and welfare	8,311,694	(7,597,742)
Judicial	1,040,443	(425,642)
Cultural and recreation	1,512,204	(1,390,306)
Interest and fiscal charges	<u>376,053</u>	<u>(376,053)</u>
Total expenses	<u>\$ 27,455,994</u>	<u>\$ (21,875,816)</u>

The cost of all governmental activities this year was \$27,455,994. Expenses consist primarily of general government, public safety, and health and welfare totaling \$9,345,873, \$5,278,314 and \$8,311,694, respectively. Net cost of governmental activities was \$21,875,816 which was financed by general revenues and beginning net assets. General revenues consist primarily of property and accommodations taxes of \$22,621,510.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$23,722,611. Approximately \$7,112,759 or 30% of the fund balance is unassigned and is available for spending at the County's discretion.

The general fund is the principal operating fund of the County. The increase in fund balance in the general fund for the fiscal year was \$845,466 which was the result of normal business operations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - As of June 30, 2011, the County had invested net of related debt \$20,845,055 in capital assets, including land, buildings and improvements, infrastructure, vehicles, computers, and other equipment. Total depreciation expense for the year was \$1,919,492.

The schedule below presents capital asset balances, net of depreciation, for the fiscal year ended June 30, 2011.

Capital assets, not being depreciated	
Land	\$ 2,442,597
Construction in progress	<u>1,629,943</u>
	<u>4,072,540</u>
Capital assets, being depreciated	
Land improvements	21,917,706
Buildings and improvements	16,608,230
Infrastructure	1,106,890
Machinery and equipment	14,475,823
Software	<u>330,159</u>
	54,438,808
Less accumulated depreciation	<u>(33,272,466)</u>
Total capital assets being depreciated, net	<u>21,166,342</u>
Net capital assets	<u>\$ 25,238,882</u>

Debt Administration - At year-end, the County had \$7,270,000 in general obligation bonds and \$134,287 in capital leases of which \$824,287 is due within one year.

ECONOMIC FACTORS AND BUDGETARY PROJECTIONS

Unlike a typical county, Fairfield County's revenue stream is relatively constant. This is due primarily to a licensed electrical generating facility located in our county, which accounts for over 40% of our tax revenues. The facility is in the process of renewing their license for another 20 years, which gives us a measure of comfort; however, we are very careful not to abuse this revenue source. Taking this revenue source into account and the other economic factors in our community, our budget philosophy is to be socially responsible within a very conservative fiscal approach. We expect this trend will continue over future budgets.

REQUEST FOR INFORMATION

This financial report is designed to provide the County's citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Comptroller, Fairfield County, 350 Columbia Road, P.O. Drawer 60, Winnsboro, South Carolina 29180.

FAIRFIELD COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2011

Exhibit 1

	Primary Governmental Activities	Component Unit Library Commission
ASSETS		
Current assets		
Cash and cash equivalents	\$ 21,943,266	\$ 313,920
Taxes receivable, net	628,249	-
Accounts receivable, net	84,930	-
Investments	-	11,826
Due from primary government	-	12,559
Due from other governmental units	2,473,793	-
Prepaid items	27,801	-
Notes receivable	265,000	-
Total current assets	25,423,039	338,305
Noncurrent assets		
Notes receivable	585,120	-
Capital assets		
Nondepreciable	4,072,540	-
Depreciable	54,438,808	1,712,661
Less accumulated depreciation	(33,272,466)	(1,165,205)
Total capital assets net of accumulated depreciation	25,238,882	547,456
Total assets	\$ 51,247,041	\$ 885,761
LIABILITIES		
Current liabilities		
Accounts payable	\$ 781,957	\$ -
Retainage payable	104,581	-
Accrued expenses	871,177	3,214
Due to tax payers	4,607	-
Due to other agencies	151,850	-
Due to component unit	12,559	-
Due to other governmental units	10,277	-
General obligation bonds	690,000	-
Capital lease	134,287	-
Accrued compensated absences	26,343	11,920
Total current liabilities	2,787,638	15,134
Long-term liabilities		
General obligation bonds	6,580,000	-
Accrued compensated absences	576,660	14,665
Other post employment benefit obligation	1,229,627	-
Total long-term liabilities	8,386,287	14,665
Total liabilities	11,173,925	29,799
NET ASSETS		
Invested in capital assets, net of related debt	20,845,055	547,456
Restricted for:		
General government programs	24,915	-
Public safety programs	1,195,479	-
Health and welfare programs	1,663,951	-
Judicial programs	72,881	-
Cultural and recreation programs	44,181	155,605
Debt service	291,913	-
Unrestricted	15,934,741	152,901
Total net assets	\$ 40,073,116	\$ 855,962

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

FAIRFIELD COUNTY
STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2011

	Program revenues			Net revenue (expense) and changes in net assets	
	Expenses	Charges for sales and service	Operating grants and contributions	Component unit	
				Primary government	Library Commission
FUNCTIONS/PROGRAMS					
Governmental activities					
General government	\$ 9,345,873	\$ 217,053	\$ 789,231	\$ (7,174,324)	
Public safety	5,278,314	1,119,676	110,853	(4,047,785)	
Public works and utilities	1,591,413	298,894	142,079	(863,964)	
Health and welfare	8,311,694	407,457	306,495	(7,597,742)	
Judicial	1,040,443	480,339	134,462	(425,642)	
Cultural and recreation	1,512,204	90,710	31,188	(1,390,306)	
Interest and fiscal charges	376,053	-	-	(376,053)	
Total governmental activities	27,455,994	2,614,129	1,514,308	(21,875,816)	
Component unit					
Library Commission	518,420	14,026	66,856		\$ (437,538)
Total	\$ 27,974,414	\$ 2,628,155	\$ 1,581,164		\$ (437,538)
General revenues:					
Property taxes				22,493,652	-
Sales tax				1,999,954	-
Accommodations tax				127,858	-
County appropriations				-	456,350
Investment income				173,351	1,179
Intergovernmental				990,561	-
Loss on sale of capital assets				(65,222)	-
Miscellaneous				180,555	2,655
Dissolution of the Rural Fire Protection District component unit				1,034,340	-
Total general revenues				26,935,049	460,184
Change in net assets				5,059,233	22,646
Net assets, beginning of year				35,013,883	833,316
Net assets, end of year				\$ 40,073,116	\$ 855,962

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

FAIRFIELD COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

Exhibit 3

	General	Capital Improvements FY2010 GO Bonds	EMS	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 10,599,780	\$ 3,466,264	\$ 1,401,789	\$ 6,475,433	\$ 21,943,266
Taxes receivable, net	490,300	-	70,745	67,204	628,249
Accounts receivable, net	39,914	-	10,450	34,566	84,930
Due from other funds	590,315	-	-	-	590,315
Due from other governmental units	1,158,507	396,072	54	919,160	2,473,793
Prepaid items	24,160	-	823	2,818	27,801
Notes receivable	360,000	-	-	490,120	850,120
Total assets	\$ 13,262,976	\$ 3,862,336	\$ 1,483,861	\$ 7,989,301	\$ 26,598,474
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 377,016	\$ 35,561	\$ 78,526	\$ 290,854	\$ 781,957
Retainage payable	-	88,694	-	15,887	104,581
Accrued expenses	702,655	-	125,470	43,052	871,177
Deferred revenue	264,288	-	43,208	41,044	348,540
Due to general fund	-	-	-	590,315	590,315
Due to tax payers	4,607	-	-	-	4,607
Due to other agencies	151,850	-	-	-	151,850
Due to component units	12,559	-	-	-	12,559
Due to other governmental units	10,277	-	-	-	10,277
Total liabilities	1,523,252	124,255	247,204	981,152	2,875,863
Fund balances:					
Nonspendable					
Prepaid items	24,160	-	823	2,818	27,801
Notes receivable	360,000	-	-	490,120	850,120
Restricted					
General government	-	-	-	24,915	24,915
Public safety	-	-	-	1,195,479	1,195,479
Health and welfare	-	-	1,235,834	428,117	1,663,951
Judicial	-	-	-	72,881	72,881
Cultural and recreation	-	-	-	44,181	44,181
Debt service	-	-	-	291,913	291,913
Capital outlay	-	3,010,460	-	-	3,010,460
Committed					
General government	3,480,000	-	-	504,627	3,984,627
Public works and utilities	-	-	-	1,605,037	1,605,037
Health and welfare	760,000	-	-	-	760,000
Cultural and recreation	-	-	-	48,817	48,817
Capital outlay	-	727,621	-	2,302,049	3,029,670
Unassigned	7,115,564	-	-	(2,805)	7,112,759
Total fund balances	11,739,724	3,738,081	1,236,657	7,008,149	23,722,611
Total liabilities and fund balances	\$ 13,262,976	\$ 3,862,336	\$ 1,483,861	\$ 7,989,301	\$ 26,598,474

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

FAIRFIELD COUNTY
RECONCILIATION OF BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2011

Exhibit 4

Total governmental fund balances \$ 23,722,611

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	2,442,597	
Construction in progress		1,629,943	
Land improvements		21,917,706	
Buildings		16,608,230	
Infrastructure		1,106,890	
Machinery and equipment		14,475,823	
Software		330,159	
Less accumulated depreciation		<u>(33,272,466)</u>	
			25,238,882

Some of the County's property tax revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 348,540

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable		(7,270,000)	
Capital lease		(134,287)	
Accrued compensated absences		(603,003)	
Other post employment benefit obligation		<u>(1,229,627)</u>	
			<u>(9,236,917)</u>

Net assets of governmental activities \$ 40,073,116

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

FAIRFIELD COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2011

Exhibit 5

	General	Capital Improvements FY2010 GO Bonds	EMS	Nonmajor Governmental	Total Governmental Funds
REVENUES					
Taxes	\$ 18,939,409	\$ -	\$ 2,408,948	\$ 1,365,216	\$ 22,713,573
Sales tax	1,999,954	-	-	-	1,999,954
Intergovernmental	990,561	1,148,758	-	1,817,291	3,956,610
Licenses, permits, fines and fees	749,414	-	-	197,663	947,077
Charges for services	345,058	-	1,071,166	250,828	1,667,052
Investment income	49,527	123,781	-	43	173,351
Miscellaneous	87,251	-	3,320	89,984	180,555
Total revenues	23,161,174	1,272,539	3,483,434	3,721,025	31,638,172
EXPENDITURES					
General government	6,295,099	175,785	-	1,742,889	8,213,773
Public safety	4,730,936	-	-	184,215	4,915,151
Public works and utilities	1,229,513	-	-	346,515	1,576,028
Health and welfare	3,886,455	-	3,131,007	866,865	7,884,327
Judicial	972,011	-	-	68,432	1,040,443
Cultural and recreation	1,245,504	-	-	216,959	1,462,463
Capital outlay	187,412	2,116,973	134,704	3,411,783	5,850,872
Debt service					
Principal retirement	48,836	-	41,125	1,008,555	1,098,516
Interest and fiscal charges	4,484	-	3,776	367,793	376,053
Total expenditures	18,600,250	2,292,758	3,310,612	8,214,006	32,417,626
Excess (deficiency) of revenues over (under) expenditures	4,560,924	(1,020,219)	172,822	(4,492,981)	(779,454)
OTHER FINANCING SOURCES (USES)					
Dissolution of the Rural Fire Protection District component unit	-	-	-	1,034,340	1,034,340
Proceeds from sale of capital assets	1,731	-	4,800	18,281	24,812
Transfers in	59,959	200,000	-	3,577,148	3,837,107
Transfers out	(3,777,148)	-	-	(59,959)	(3,837,107)
Total other financing sources (uses)	(3,715,458)	200,000	4,800	4,569,810	1,059,152
Net change in fund balances	845,466	(820,219)	177,622	76,829	279,698
FUND BALANCES, BEGINNING OF YEAR	10,894,258	4,558,300	1,059,035	6,931,320	23,442,913
FUND BALANCES, END OF YEAR	\$ 11,739,724	\$ 3,738,081	\$ 1,236,657	\$ 7,008,149	\$ 23,722,611

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

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

Exhibit 6

Total net change in fund balance - governmental funds	\$	279,698
 Amounts reported for governmental activities in the statement of activities are different because of the following:		
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.		5,850,872
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in government funds.		(1,919,492)
 The proceeds from the disposal of capital assets are reported as revenue in the governmental funds. The cost of the capital assets are removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.		
Loss on sale of capital assets		(65,222)
Proceeds from sale of capital assets		(24,812)
		(90,034)
Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this year.		(92,063)
Repayment of principal on bonds and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,098,516
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Increase in accrued compensated absences		(41,949)
Increase in other post employment benefit obligation		(26,315)
		(68,264)
Change in net assets of governmental activities	\$	5,059,233

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

FAIRFIELD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

Exhibit 7

ASSETS

Cash and cash equivalents	\$ 8,351,814
Taxes receivable	785,199
Due from other governmental units	<u>16</u>
 Total assets	 <u><u>\$ 9,137,029</u></u>

LIABILITIES

Accounts payable	\$ 824
Due to individuals	763,658
Due to other governmental units	<u>8,372,547</u>
 Total liabilities	 <u><u>\$ 9,137,029</u></u>

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

FAIRFIELD COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fairfield County, South Carolina (the County) is a political subdivision of the State of South Carolina, operating under the provisions of South Carolina 2975 Act No. 283 (Home Rule Act) using a Council-Administrator form of government to provide services authorized by its charter. The County is governed by an elected Board (County Council) which is governed by state statutes and regulations.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements are presented in conformity with GASB Codification Sec. 2200, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The more significant of the government's accounting policies are described below.

A. **Reporting Entity**

Discretely Presented Component Unit - Using the criteria of GASB Codification Sec. 2100, the County has one discretely presented component unit and it has a June 30 fiscal year end.

Fairfield County Library Commission - Fairfield County Library Commission (the Library Commission) was established as the designated authority to provide a public library system to the residents of the County.

The County provides the Library Commission with an annual appropriation which is the majority of the Library Commission's operating revenue. County Council appoints members of the Library Commission's Board, which is the Library Commission's governing authority. The Library Commission's Board is responsible for the hiring and termination of management personnel. Accordingly, the Library Commission is considered to be a component unit of the County and its financial position and results of operations have been reported in the financial statements of the County.

Audited financial statements of the component unit may be obtained by written request to Fairfield County Council, Post Office Drawer 60, Winnsboro, South Carolina 29180.

B. **Basis of Presentation**

The statements of the County are presented as follows:

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. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. Fairfield County has no activities considered to be business-type activities.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

B. **Basis of Presentation - (Continued)**

Fund Financial Statements - Fund financial statements report detailed information about the County. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

C. **Measurement Focus and Basis of Accounting**

Fund Accounting

The accounts of the County and its component units are organized and operated on the basis of funds. A fund is defined as a 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:

General Fund - 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.

A portion of the general fund fund balance has been committed for certain contingencies including loss of fee in lieu due to plant closings, property insurance increases, and additional operating funds required for the Fairfield Memorial Hospital.

Capital Improvements FY 2010 GO Bonds - This fund is used to account for financial resources to be used for the acquisition of capital assets.

EMS - This fund is used to account for the accumulation of resources and the payments of daily operations attributable to EMS.

Additionally, the government reports the following nonmajor fund types:

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting - (Continued)

The County also maintains an agency fund which accounts for monies held on behalf of school districts, special districts and other agencies that use the County as a depository for property taxes and/or state funds collected on behalf of the other governments.

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

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

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as government funds by character.

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.

Reporting Entity

In accordance with GASB Codification Sec. 2100, this report includes all funds, account groups, organizations, institutions, agencies, departments and offices that are not legally separate from the County. Legally separate entities, referred to as component units, are also included in this report.

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. Fiduciary funds also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

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

The County follows GASB Codification Sec. N50, to account for non-exchange revenues. Nonexchange 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 fiscal 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 nonexchange 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 fiscal year-end: delinquent taxes collected within 60 days of fiscal year end, sales tax, grants, interest, fees and charges for service.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting - (Continued)

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2011, but which have not met the revenue recognition criteria, 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.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. Assets, Liabilities and Equity

Cash and Cash Equivalents, and Investments - For purposes of the statement of net assets, the County considers all liquid non-equity investments with an original maturity of three months or less to be cash equivalents. Such investments consist primarily of amounts in the South Carolina local government investment pool. Investments are carried at fair value, which approximates cost.

State statutes authorize the County to invest in:

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

Receivables and Payables - All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Assets, Liabilities and Equity - (Continued)

At June 30, 2011, receivables for the County's individual major funds and other governmental funds in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

	<u>General</u>	<u>EMS</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 516,105	\$ 74,468	\$ 70,741	\$ 661,314
Accounts	<u>39,914</u>	<u>965,326</u>	<u>34,566</u>	<u>1,039,806</u>
Gross	556,019	1,039,794	105,307	1,701,120
Less:				
Allowance - taxes	25,805	3,723	3,537	33,065
Allowance - accounts	<u>-</u>	<u>954,876</u>	<u>-</u>	<u>954,876</u>
Net receivables	<u>\$ 530,214</u>	<u>\$ 81,195</u>	<u>\$ 101,770</u>	<u>\$ 713,179</u>

Property taxes become a lien on real estate and certain personal properties owned on the preceding December 31 of each County fiscal year ended June 30. These taxes are levied on or before October 31, and are due without penalty through January 15. Penalties are added to the taxes depending on the date paid as follows:

January 15 through February 1	3% of tax
February 2 through March 18	10% of tax
March 19 and thereafter	15% of tax plus collection cost

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

Short-term amounts owed between funds are classified as "due from other funds" or "due to other funds" on the balance sheet.

Capital Assets - Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, water & sewer systems, and similar items) are reported in the applicable governmental 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 in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets 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.

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

D. **Assets, Liabilities and Equity - (Continued)**

All reported capital assets other than land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	15 years
Buildings and improvements	15 - 30 years
Furniture and equipment	3 - 10 years
Machinery and equipment	5 - 10 years
Books	10 years
Infrastructure	50 years
Software	3 - 10 years

Compensated Absences - Employees with less than 10 years of service are allowed to carry over not more than thirty (30) days unused annual leave each July 1. Employees with 10 years or more of service may carry over no more than forty (40) days unused annual leave each January 1. Any employee who had more than the maximum carryover amount on June 30, 1989, when this policy was implemented, was allowed to keep the excess in a separate pool that will be paid to the employee upon separation from employment. Accumulated unused annual leave is paid to employees upon separation from employment.

The County has accrued a liability for accrued compensated absences which have been earned but not taken by County employees based on the following criteria:

1. The County's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' service already rendered;
2. The obligation related to rights that vest or accumulate;
3. Payment of the compensation is probable; and
4. The amount can be reasonably estimated.

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. 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.

Property Taxes - The County follows GASB Codification Sec. N50 to account for non-exchange revenues that 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.

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

D. **Assets, Liabilities and Equity - (Continued)**

Interfund Activity - Reallocation of resources between funds of the reporting entity are classified as interfund transfers and are reported as operating transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition through December 16, 2011, the date these financial statements were available for issuance.

II. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Accounting - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. Certain special revenue funds and capital projects funds are budgeted over the life of the grant or project but are not formally approved by County Council. Since grant periods may differ from the County's fiscal year, a comparison of budgetary information for the total special revenue and capital projects funds would not be meaningful. Formal budgetary policies are not employed for the debt service funds because effective budgetary control is alternatively achieved through debt provisions.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- 1) Prior to the first County Council meeting in June, the County Administrator submits to County Council a proposed operating budget. The operating budget includes proposed expenditures and the means by which financing will occur.
- 2) Taxpayers are given the opportunity to comment on the proposed budget at a regularly scheduled open Council meeting.
- 3) The budget is legally adopted, after three readings, prior to June 30.
- 4) Any budget revisions are approved by County Council. The County Administrator has the authority only to reallocate the funds between line items within a department.
- 5) Formal budgetary integration is employed as a management control device during the year for the general fund.
- 6) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- 7) Encumbrances are not recognized by the County and are not considered in the budgetary control process. The appropriations of the general fund and special revenue funds of the County lapse at June 30 each year and the outstanding purchase orders, contracts and other commitments must be renewed. Therefore, there are no reservations of the fund balances at year end for encumbrances. Lapsed appropriations of the special revenue funds are reappropriated in the next budget year.

III. DETAILED NOTES ON ALL FUNDS

NOTE 1 - DEPOSITS AND INVESTMENTS

At June 30, 2011, the County’s cash and investments included demand deposits and local government pools. The local government investment pool is managed by the State of South Carolina.

Under State law, the County is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

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. At June 30, 2011, the carrying amount of the County’s deposits was \$21,506,802 and the bank balance was \$22,037,802.

State law requires that all of the County’s deposits be covered by FDIC insurance or by collateral held in the pledging financial institutions’ trust departments in the County’s name. At June 30, 2011, all of the County’s bank balance was insured or collateralized.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
South Carolina local government investment pool	<u>\$ 8,788,984</u>	N/A

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

Credit Risk - The County has no investment policy that would further limit its investment choices other than State law. As of June 30, 2011, the underlying security ratings of the County’s investment in the South Carolina Local Government Investment Pool (LGIP) may be obtained from the LGIP’s complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

The State Treasurer’s Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Concentration of Credit Risk - The County places no limit on the amount the County may invest in any one issuer.

NOTE 2 - INTERFUND ASSETS AND LIABILITIES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	<u>\$ 590,315</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 2 - INTERFUND ASSETS AND LIABILITIES - (Continued)

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2011 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 59,959
Nonmajor Governmental	General Fund	3,577,148
Capital Improvements		
FY 2010 GO Bonds	General Fund	<u>200,000</u>
		<u>\$ 3,837,107</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governments at June 30, 2011 in the governmental type funds consisted of the following:

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 1,149,246	\$ 9,261	\$ 1,158,507
Capital Improvements FY 2010 GO Bonds	-	396,072	396,072
EMS	54	-	54
Nonmajor Governmental	<u>256,475</u>	<u>662,685</u>	<u>919,160</u>
	<u>\$ 1,405,775</u>	<u>\$ 1,068,018</u>	<u>\$ 2,473,793</u>

NOTE 4 - NOTES RECEIVABLE

In March 2011, the County issued a noninterest bearing note for \$400,000 from its general fund to the Fairfield Memorial Hospital for the purpose of assisting the hospital in meeting its current administrative costs and expenses. The note became payable to the County beginning in April 2011 in monthly payments of \$13,333.

The following reflects the future minimum payments receivable at June 30, 2011, under this note receivable:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2012	\$ 160,000
2013	160,000
2014	<u>40,000</u>
Total minimum note payments	360,000
Less current portion	<u>(160,000)</u>
Long-term portion	<u>\$ 200,000</u>

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 4 - NOTES RECEIVABLE - (Continued)

During fiscal year 2008, the County acquired land for the construction of a building within the W.B. Brown Industrial Park. During February 2011, the County sold the building to a private company for \$725,000. Per terms of the sales contract, the County received an initial deposit of \$200,000 on the date of closing and issued a noninterest bearing note for the remaining sales price. The note became payable to the County beginning in March 2011 in 60 monthly payments of \$8,750.

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2012	\$ 105,000
2013	105,000
2014	105,000
2015	105,000
2016	<u>70,120</u>
Total minimum note payments	490,120
Less current portion	<u>(105,000)</u>
Long-term portion	<u><u>\$ 385,120</u></u>

NOTE 5 - CAPITAL ASSETS

Primary Government

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2011:

	<u>Balance,</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance,</u> <u>June 30, 2011</u>
Capital assets, not being depreciated				
Land	\$ 2,140,572	\$ 302,025	\$ -	\$ 2,442,597
Construction in progress	<u>1,390,844</u>	<u>2,790,984</u>	<u>(2,551,885)</u>	<u>1,629,943</u>
Total capital assets, not being depreciated	<u>3,531,416</u>	<u>3,093,009</u>	<u>(2,551,885)</u>	<u>4,072,540</u>
Capital assets, being depreciated				
Land improvements	21,377,098	586,810	(46,202)	21,917,706
Buildings and improvements	13,985,073	2,648,157	(25,000)	16,608,230
Infrastructure	1,106,890	-	-	1,106,890
Machinery and equipment	13,140,710	2,074,781	(739,668)	14,475,823
Software	<u>330,159</u>	<u>-</u>	<u>-</u>	<u>330,159</u>
Total capital assets, being depreciated	<u>49,939,930</u>	<u>5,309,748</u>	<u>(810,870)</u>	<u>54,438,808</u>
Accumulated depreciation	<u>(32,073,810)</u>	<u>(1,919,492)</u>	<u>720,836</u>	<u>(33,272,466)</u>
Total capital assets, being depreciated, net	<u>17,866,120</u>	<u>3,290,256</u>	<u>(90,034)</u>	<u>21,166,342</u>
Net capital assets	<u><u>\$ 21,397,536</u></u>	<u><u>\$ 6,483,265</u></u>	<u><u>\$ (2,641,919)</u></u>	<u><u>\$ 25,238,882</u></u>

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 5 - CAPITAL ASSETS - (Continued)

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

General government	\$ 1,063,836
Public safety	363,163
Public works and utilities	15,385
Health and welfare	427,367
Cultural and recreation	<u>49,741</u>
	<u>\$ 1,919,492</u>

Discretely Presented Component Units

The following is a summary of the changes in capital assets for the Library Commission for the fiscal year ended June 30, 2011:

	Balance, June 30, 2010	Additions	Retirement	Balance June 30, 2011
Capital assets, being depreciated				
Books	\$ 1,351,410	\$ 70,859	\$ (43,730)	\$ 1,378,539
Machinery and equipment	<u>330,206</u>	<u>11,559</u>	<u>(7,643)</u>	<u>334,122</u>
Total capital assets, being depreciated	<u>1,681,616</u>	<u>82,418</u>	<u>(51,373)</u>	<u>1,712,661</u>
Accumulated depreciation				
Books	(839,909)	(53,863)	43,730	(850,042)
Machinery and equipment	<u>(309,550)</u>	<u>(13,256)</u>	<u>7,643</u>	<u>(315,163)</u>
Less accumulated depreciation	<u>(1,149,459)</u>	<u>(67,119)</u>	<u>51,373</u>	<u>(1,165,205)</u>
Net capital assets	<u>\$ 532,157</u>	<u>\$ 15,299</u>	<u>\$ -</u>	<u>\$ 547,456</u>

NOTE 6 - CAPITAL LEASE

The County entered into a capital lease agreement to acquire \$616,157 in various vehicles and heavy equipment. The entire capital lease obligation has been recorded in the government-wide financial statements of the County.

Capital lease machinery and equipment held by the County as of June 30, 2011 is as follows:

Machinery and equipment	\$ 616,157
Less: accumulated depreciation	<u>481,882</u>
Carrying value	<u>\$ 134,275</u>

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 6 - CAPITAL LEASE - (Continued)

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

2012	\$ 140,316
Total minimum lease payments	140,316
Less: amount representing interest	<u>6,029</u>
Present value of minimum lease payments	<u>\$ 134,287</u>

Capital lease payable at June 30, 2011 is comprised of the following individual lease:

Lease purchase agreement with a bank entered into in July 2006 for \$616,157, collateralized by equipment. Annual payments of \$140,316, including principal and interest at 4.49%. This agreement matures in July 2011.

\$ 134,287

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of the changes in general long-term liabilities for the fiscal year ended June 30, 2011:

	Balance, June 30, 2010	Additions	Retirement	Balance, June 30, 2011	Due in less than one year	Due in more than one year
General obligation bonds	\$ 8,240,000	\$ -	\$ 970,000	\$ 7,270,000	\$ 690,000	\$ 6,580,000
Capital lease	262,803	-	128,516	134,287	134,287	-
Accrued compensated absences	<u>561,054</u>	<u>62,465</u>	<u>20,516</u>	<u>603,003</u>	<u>26,343</u>	<u>576,660</u>
Total long-term liabilities	<u>\$ 9,063,857</u>	<u>\$ 62,465</u>	<u>\$ 1,119,032</u>	<u>\$ 8,007,290</u>	<u>\$ 850,630</u>	<u>\$ 7,156,660</u>

General obligation bonds consist of the following at June 30, 2011:

\$2,600,000 general obligation bonds due in annual installments of \$520,000 through March 1, 2012; interest at 3.89%

\$ 520,000

\$6,750,000 general obligation bonds due in annual installments of \$170,000 to \$955,000 through March 1, 2020; interest at 3.2% to 4.3%

6,750,000

\$ 7,270,000

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 7 - LONG-TERM LIABILITIES - (Continued)

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 690,000	\$ 319,413	\$ 1,009,413
2013	715,000	293,745	1,008,745
2014	740,000	268,005	1,008,005
2015	765,000	239,885	1,004,885
2016	795,000	209,285	1,004,285
2017-2020	<u>3,565,000</u>	<u>456,840</u>	<u>4,021,840</u>
	<u>\$ 7,270,000</u>	<u>\$ 1,787,173</u>	<u>\$ 9,057,173</u>

NOTE 8 - NET ASSETS

Net assets of the government-wide financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets are as follows at June 30, 2011:

Net Assets

Invested in capital assets, net of related debt:

Less:

Capital assets, net of accumulated depreciation	\$ 25,238,882
General obligation bonds	(7,270,000)
Capital lease	(134,287)

Add:

Unspent bond proceeds	<u>3,010,460</u>
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\$ 20,845,055

IV. OTHER INFORMATION

NOTE 9 - RETIREMENT BENEFITS

Substantially all County employees are members of the South Carolina Retirement System (SCRS) and the South Carolina Police Officer's Retirement System (PORS), two of four defined benefit retirement systems maintained by the Retirement Division of the State Budget and Control Board. Each system publishes its own component unit financial statement report. The System provides retirement, death and disability benefits to State employees, public school employees, and employees of counties, municipalities, and certain other State political subdivisions. The System issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the South Carolina Retirement System and Police Officers' Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Title 9 of the South Carolina Code of Laws of 1976 (as amended) prescribes requirements relating to membership, benefits, and employee/employer contributions for each system. The following summarizes the requirements for SCRS and PORS.

IV. OTHER INFORMATION - (Continued)

NOTE 9 - RETIREMENT BENEFITS - (Continued)

SCRS is a cost-sharing multiple-employer pension system that benefits employees of public schools, the State and its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Employees contribute at 6.5% for the year ended June 30, 2011 (6.5% for the years ended June 30, 2010 and 2009) and employers at 9.24% for the year ended June 30, 2011 (9.24% for the years ended June 30, 2010 and 2009). In addition to the above rates, participating employers of SCRS contribute .15% of payroll to provide group life insurance benefit for their participants. Benefits vest after five years of service. Vested members who retire at age sixty-five or with twenty-eight years of service at any age receive an annual benefit, payable for life. The benefit is based on length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. The annual benefit amount is 1.82% of average final compensation times years of credited service. Reduced benefits are payable as early as age sixty.

PORS is a cost-sharing multiple-employer pension system that benefits all full-time County employees whose principal duties are the preservation of public order, protection, or prevention and control of property destruction by fire. Membership is required as a condition of employment. Both employers and employees must contribute. Employees contribute at 6.5% and employers at 11.13%. In addition to the above rates, participating employers of PORS contribute .20% of payroll to provide a group life insurance benefit and another .20% to provide accidental death coverage for their participants. Employees who retire at 55 or with 25 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2.14% of average final compensation multiplied by the number of years of credited service. Benefits fully vest on reaching 5 years of service.

The SCRS and PORS do not separately measure assets and pension benefit obligations for individuals' employers. Under Title 9 of the South Carolina Code of Laws, the County's liability under the plan is limited to amounts contributed. Accordingly, the County recognizes no contingent liability for unfunded costs associated with participation in the plan.

The State's consulting actuary determines employer contributions for all four systems. The systems use the projected benefit method with entry age normal cost and benefits and allocate pension cost to each year as a level percentage of salary. In determining funding requirements, the actuary uses the same actuarial assumptions as those used to calculate the pension benefit obligation, with the following assumptions: (1) post-retirement benefit increases were projected for retired members and members eligible to retire; and (2) net assets attributable to group life insurance were excluded.

The following provides a summary of the County's retirement plan contributions at June 30, 2011 (includes group life insurance for both plans and accidental death insurance for the Police Plan).

<u>Year Ended</u> <u>June 30,</u>	<u>Plan</u>	<u>Employee</u> <u>Contributions</u>	<u>Employer</u> <u>Contributions</u>	<u>Total</u> <u>Contributions</u>
2011	Regular	\$ 471,826	\$ 681,692	\$ 1,153,518
	Police	179,767	329,768	509,535
2010	Regular	\$ 473,272	\$ 689,306	\$ 1,162,578
	Police	173,578	298,285	471,863
2009	Regular	\$ 449,629	\$ 652,568	\$ 1,102,197
	Police	173,263	294,551	467,814

IV. OTHER INFORMATION

NOTE 9 - RETIREMENT BENEFITS - (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 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. Effective July 1, 2006, TERI participants who entered the program before July 1, 2005 do not have to contribute to SCRS as long as they are covered under the TERI program.

NOTE 10 - DEFERRED COMPENSATION/SALARY DEFERRAL PLAN

Several optional deferred compensation plans are available to County employees. Certain employees of the County have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k) and 403(b) are accounted for as agency funds of the State and included in the Comprehensive Annualized Financial Report of the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate County employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Compensation deferred under the Section 401(k) and 403(b) plans are placed in trust for the contributing employee. The State has no liability for losses under the plans. Under the Section 457 plan, all deferred compensation plan amounts and earnings remain assets of the State subject to the claims of the employer's general creditors, one of whom is the employee participant. It is unlikely, however, that the State would ever use plan assets to satisfy claims of the State's general creditors. The portion of assets of the Section 457 plan to which the State has access is disclosed in its financial report.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description - The County's policy is to provide post-retirement health, life and dental care benefits to substantially all employees who retire under the State's retirement plans. Effective July 1, 2011, County Council elected to change the benefits offered to retirees as follows: the County will pay 100% of the premium for those retirees with 10 or more consecutive years of service with the County until they reach age 65 and are eligible for Medicare coverage. Upon reaching the age of 65, the retiree has the option to pay the full premium or receive \$100 per month to help supplement the cost of purchasing Medicare gap coverage. Benefits may still be purchased for eligible retiree dependents, however, the cost of these benefits are paid by the retiree and no longer the County.

Funding Policy - The contribution requirements of plan members and the County are established and may be amended by the County. The required contribution is currently based on pay-as-you-go financing requirements. For the year ended June 30, 2011, the County recognized approximately \$243,600 in expenditures for current healthcare premiums.

Annual OPEB Cost and Net OPEB Obligation - The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Codification Sec. P50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB:

IV. OTHER INFORMATION - (Continued)

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) - (Continued)

Normal cost for current year	\$ 147,086
Amortization of unamortized accrued liability	<u>124,796</u>
Annual Required Contribution (ARC)	271,882
Interest on net OPEB obligation	48,132
Adjustment to annual required contribution	<u>(50,099)</u>
Annual OPEB cost	269,915
Contributions made	<u>(243,600)</u>
Increase in net OPEB obligation	26,315
Net obligation, beginning of year	<u>1,203,312</u>
Net obligation, end of year	<u><u>\$ 1,229,627</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2011 and 2010 fiscal years were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$ 843,496	28.29%	\$ 1,203,312
2011	269,915	90.25%	1,229,627

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$2,997,394, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. The covered payroll (annual payroll of active employees covered by the plan) for the 2011 fiscal year was \$10,019,772, and the ratio of the UAAL to the covered payroll was 30%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit method was used and the study was based on a closed group. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the blended rate of the expected long-term investment returns on plan assets on the County's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.00% in 2010 decreasing to the ultimate rate of 5.00% in 2017. Also, the actuarial assumptions included a 2.50% annual salary rate increase and 2.5% for an annual inflation rate. The UAAL is being amortized via the level percentage method which amortizes the UAAL as a constant percent of payroll over a 30 year period. The remaining amortization period at June 30, 2011 was 27 years.

IV. OTHER INFORMATION - (Continued)

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman's compensation insurance and to the State Accident Fund for all other forms of coverage. The public entity risk pool and the State Accident Fund promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

NOTE 13 - COMMITMENTS

The County is obligated under a transfer station service agreement with a provider of rural trash collection services. This contract is for ten years with five year renewal options and requires payments based on a per ton fee for solid waste delivered for disposal. During the year ended June 30, 2011, the County incurred costs totaling \$535,178 (net of user fees) under this agreement.

The majority of the County's facilities are owner-occupied buildings. The County is obligated under certain operating leases for additional office space. The obligations under these leases are not considered significant for financial reporting purposes.

The County is obligated under certain maintenance agreements for continued service to office machinery, data processing equipment and software. Each contract is evaluated annually and a decision is made to either continue the service or let the maintenance agreement lapse. For the year ended June 30, 2011, the total cost included in the financial statements of Fairfield County was approximately \$321,017.

The County is obligated under certain insurance policies to provide coverages for such things as tort liability, unemployment insurance, flood insurance, fire insurance, heavy equipment floater insurance, automobile comprehensive and collision insurance, and contents insurance for various County owned buildings. Each policy is renewable upon the anniversary date.

As of June 30, 2011, the County has outstanding construction contracts of \$568,091.

NOTE 14 - ECONOMIC DEPENDENCY

The County received a substantial portion of its property tax revenues from a single taxpayer, South Carolina Electric and Gas (SCANA Corporation). Of the total tax revenues of \$18,939,409 recorded in the general fund for the year ended June 30, 2011, \$7,533,188 was generated from SCANA Corporation due to its operation of the VC Summer Nuclear Plant. This represents 40% of total tax revenues collected for the general fund. Consequently, the funding of County operations is heavily dependent on property tax revenues collected from SCANA Corporation.

IV. OTHER INFORMATION - (Continued)

NOTE 15 - FUND BALANCES

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

- Nonspendable Fund Balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed Fund Balance includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, County Council. Commitments may be changed or lifted only by the County taking the same formal action that imposes the constraint originally.
- Assigned Fund Balance comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) County Council or (b) a body (for example: a Finance Committee) or official to which County Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

Fairfield County Council is the County's highest level of decision making. County Council can establish, modify, or rescind fund balance commitments through adoption of a resolution or ordinance. The County Administrator has the authority to assign fund balance amounts to a specific purpose. The County Administrator is appointed by, and serves at the pleasure of Fairfield County Council.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned, or unassigned amounts could be used, the County considers expenditures to be used in this respective order.

As of June 30, 2011, Fairfield County Council had not established an unassigned fund balance target.

IV. OTHER INFORMATION - (Continued)

NOTE 16 - RURAL FIRE PROTECTION DISTRICT

During April 2011, County Council approved Ordinance No. 587 (the Ordinance) to dissolve the Rural Fire Protection District (the District) as a component unit of the County. The Ordinance established an administrative division or department under the County Administrator to operate the special tax district. In addition, the Ordinance repeals all prior ordinances that refer to the District and changes the District's board of directors to an advisory committee.

The District's fund balance as of the date of dissolution was \$1,034,340 which was comprised mainly of \$989,200 in cash and cash equivalents. The County recorded the dissolution of fund balance as an other financing source in the newly established Fire Protection Tax District special revenue fund. During fiscal year 2009, the District's capital assets were restated to reflect their ownership by the County and therefore required no additional financial statement adjustments in the current fiscal year.

FAIRFIELD COUNTY
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 GENERAL FUND
 For the fiscal year ended June 30, 2011

Schedule 1

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 18,714,805	\$ 18,710,331	\$ 18,939,409	\$ 229,078
Sales tax	864,000	864,000	1,999,954	1,135,954
Intergovernmental	886,000	886,000	990,561	104,561
Licenses, permits, fines and fees	628,921	628,921	749,414	120,493
Charges for services	282,450	282,450	345,058	62,608
Investment income	67,000	67,000	49,527	(17,473)
Miscellaneous	50,625	50,625	87,251	36,626
Total revenues	<u>21,493,801</u>	<u>21,489,327</u>	<u>23,161,174</u>	<u>1,671,847</u>
EXPENDITURES				
General government				
County Council	302,849	302,849	251,487	51,362
County Attorney	279,032	279,032	231,106	47,926
County Administrator	250,164	250,164	237,081	13,083
Finance	515,803	544,706	529,115	15,591
Human resources	331,645	364,524	358,115	6,409
Purchasing	148,553	148,553	118,237	30,316
Data processing	420,028	465,921	335,172	130,749
General operating	3,282,830	2,429,897	1,693,619	736,278
Tax assessor	368,726	368,726	319,196	49,530
Tax collector	138,392	138,392	132,594	5,798
Building maintenance	490,778	560,046	556,669	3,377
Planning and building	332,706	364,554	317,704	46,850
Transit	129,196	210,215	137,284	72,931
Economic development	143,985	143,985	101,096	42,889
Auditor	110,073	110,073	104,492	5,581
Treasurer	142,174	147,160	141,749	5,411
Voter registration / Election Commission	139,230	151,460	149,294	2,166
Veterans Affairs	91,936	91,936	68,994	22,942
Delegation	2,579	2,587	2,586	1
Airport Commission	49,850	57,740	57,157	583
Quickjobs	90,000	90,000	21,179	68,821
Summer youth program	16,148	30,050	30,049	1
Soil and water conservation	36,393	36,393	35,546	847
Allocations to local organizations	318,578	368,578	365,578	3,000
Total general government	<u>8,131,648</u>	<u>7,657,541</u>	<u>6,295,099</u>	<u>1,362,442</u>
Public safety				
Sheriff	2,913,931	2,913,931	2,804,214	109,717
Detention center	1,663,107	1,692,101	1,594,992	97,109
Animal control	197,130	227,481	228,360	(879)
Coroner	93,018	93,018	74,570	18,448
Allocations to local organizations	29,300	29,300	28,800	500
Total public safety	<u>4,896,486</u>	<u>4,955,831</u>	<u>4,730,936</u>	<u>224,895</u>
Public works and utilities				
Road maintenance division	1,290,285	1,319,279	1,229,513	89,766
Total public works and utilities	<u>1,290,285</u>	<u>1,319,279</u>	<u>1,229,513</u>	<u>89,766</u>
Health and welfare				
Fairfield County Department of Social Services	60,100	70,597	70,472	125
Emergency medical management	696,084	696,084	646,234	49,850
Solid waste	2,123,438	2,123,438	1,744,421	379,017
Allocations to local organizations	1,414,025	1,425,330	1,425,328	2
Total health and welfare	<u>4,293,647</u>	<u>4,315,449</u>	<u>3,886,455</u>	<u>428,994</u>

FAIRFIELD COUNTY
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 GENERAL FUND
 For the fiscal year ended June 30, 2011

Schedule 1

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES, Continued				
Judicial				
Probate Judge	150,529	150,529	142,295	8,234
Clerk of Court	281,312	281,312	270,295	11,017
Family court	125,187	128,111	125,354	2,757
Magistrates	462,740	462,740	434,067	28,673
Total judicial	<u>1,019,768</u>	<u>1,022,692</u>	<u>972,011</u>	<u>50,681</u>
Cultural and recreation				
Recreation	701,155	733,003	726,957	6,046
Museum	67,735	68,852	62,197	6,655
Allocations to local organizations	456,350	456,350	456,350	-
Total cultural and recreation	<u>1,225,240</u>	<u>1,258,205</u>	<u>1,245,504</u>	<u>12,701</u>
Capital outlay	-	-	187,412	(187,412)
Debt service				
Principal retirement	46,800	48,837	48,836	1
Interest and fiscal charges	6,600	4,563	4,484	79
Total debt service	<u>53,400</u>	<u>53,400</u>	<u>53,320</u>	<u>80</u>
Total expenditures	<u>20,910,474</u>	<u>20,582,397</u>	<u>18,600,250</u>	<u>1,982,147</u>
Excess of revenues over expenditures	583,327	906,930	4,560,924	3,653,994
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	5,000	5,000	1,731	(3,269)
Transfers in	-	-	59,959	59,959
Transfers out	(3,622,173)	(3,945,776)	(3,777,148)	168,628
Total other financing sources (uses)	<u>(3,617,173)</u>	<u>(3,940,776)</u>	<u>(3,715,458)</u>	<u>225,318</u>
Net change in fund balance	<u>\$ (3,033,846)</u>	<u>\$ (3,033,846)</u>	845,466	<u>\$ 3,879,312</u>
FUND BALANCE, BEGINNING OF YEAR			10,894,258	
FUND BALANCE, END OF YEAR			<u>\$ 11,739,724</u>	

FAIRFIELD COUNTY
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 EMS
 For the fiscal year ended June 30, 2011

Schedule 2

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,278,042	\$ 2,278,042	\$ 2,408,948	\$ 130,906
Charges for services	828,608	828,608	1,071,166	242,558
Miscellaneous	-	-	3,320	3,320
Total revenues	<u>3,106,650</u>	<u>3,106,650</u>	<u>3,483,434</u>	<u>376,784</u>
EXPENDITURES				
Health and welfare				
Compensation and benefits	2,485,560	2,485,560	2,565,928	(80,368)
Operating expenditures	810,605	810,605	565,079	245,526
Capital outlay	195,400	195,400	134,704	60,696
Debt service				
Principal retirement	39,400	39,400	41,125	(1,725)
Interest and fiscal charges	5,600	5,600	3,776	1,824
Total health and expenditures	<u>3,536,565</u>	<u>3,536,565</u>	<u>3,310,612</u>	<u>225,953</u>
Excess of revenues over expenditures	<u>(429,915)</u>	<u>(429,915)</u>	<u>172,822</u>	<u>602,737</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	4,800	4,800
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,800</u>	<u>4,800</u>
Net change in fund balance	<u>\$ (429,915)</u>	<u>\$ (429,915)</u>	<u>177,622</u>	<u>\$ 607,537</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,059,035</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,236,657</u>	

FAIRFIELD COUNTY
 SCHEDULE OF FUNDING PROGRESS FOR THE OTHER
 POST EMPLOYMENT BENEFIT PLAN
 JUNE 30, 2011

Schedule 3

Fiscal Year	Actuarial Valuation Date	Employer Contributions to the Retiree Health Plan	Actuarial Value of Assets (a)	Actuarial Liability (AAL)- Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	7/1/2008	\$ -	\$ -	\$ 9,887,275	\$ 9,887,275	0%	\$ 9,609,888	103%
2010	7/1/2008	-	-	9,887,275	9,887,275	0%	9,775,387	101%
2011	7/1/2010	-	-	2,997,394	2,997,394	0%	10,019,772	30%

FAIRFIELD COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

Schedule 4

	Nonmajor Debt Service	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 277,518	\$ 1,739,339	\$ 4,458,576	\$ 6,475,433
Taxes receivable, net	36,904	30,300	-	67,204
Accounts receivable, net	-	5,223	29,343	34,566
Due from other governmental units	30	778,103	141,027	919,160
Prepaid items	-	2,818	-	2,818
Note receivable	-	-	490,120	490,120
	\$ 314,452	\$ 2,555,783	\$ 5,119,066	\$ 7,989,301
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 83,246	\$ 207,608	\$ 290,854
Retainage payable	-	-	15,887	15,887
Accrued expenses	-	43,052	-	43,052
Deferred revenue	22,539	18,505	-	41,044
Due to general fund	-	590,315	-	590,315
	22,539	735,118	223,495	981,152
Fund balances:				
Nonspendable				
Prepaid items	-	2,818	-	2,818
Note receivable	-	-	490,120	490,120
Restricted				
General government	-	24,915	-	24,915
Public safety	-	1,195,479	-	1,195,479
Health and welfare	-	428,117	-	428,117
Judicial	-	72,881	-	72,881
Cultural and recreation	-	44,181	-	44,181
Debt service	291,913	-	-	291,913
Committed				
General government	-	-	504,627	504,627
Public works and utilities	-	-	1,605,037	1,605,037
Cultural and recreation	-	48,817	-	48,817
Capital outlay	-	6,262	2,295,787	2,302,049
Unassigned	-	(2,805)	-	(2,805)
	291,913	1,820,665	4,895,571	7,008,149
Total fund balances	291,913	1,820,665	4,895,571	7,008,149
Total liabilities and fund balances	\$ 314,452	\$ 2,555,783	\$ 5,119,066	\$ 7,989,301

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

Schedule 5

	Nonmajor Debt Service	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,243,014	\$ 122,202	\$ -	\$ 1,365,216
Intergovernmental	-	1,514,308	302,983	1,817,291
Licenses, permits, fines and fees	-	197,663	-	197,663
Charges for services	-	250,828	-	250,828
Investment income	-	43	-	43
Miscellaneous	-	21,229	68,755	89,984
	<u>1,243,014</u>	<u>2,106,273</u>	<u>371,738</u>	<u>3,721,025</u>
EXPENDITURES				
General government	-	819,663	923,226	1,742,889
Public safety	-	184,215	-	184,215
Public works and utilities	-	151,500	195,015	346,515
Health and welfare	-	866,865	-	866,865
Judicial	-	68,432	-	68,432
Cultural and recreation	-	129,047	87,912	216,959
Capital outlay	-	176,885	3,234,898	3,411,783
Debt service				
Principal retirement	970,000	38,555	-	1,008,555
Interest and fiscal charges	364,253	3,540	-	367,793
	<u>1,334,253</u>	<u>2,438,702</u>	<u>4,441,051</u>	<u>8,214,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91,239)</u>	<u>(332,429)</u>	<u>(4,069,313)</u>	<u>(4,492,981)</u>
OTHER FINANCING SOURCES (USES)				
Dissolution of the Rural Fire Protection District component unit	-	1,034,340	-	1,034,340
Proceeds from sale of capital assets	-	6,960	11,321	18,281
Transfers in	-	254,067	3,323,081	3,577,148
Transfers out	-	(59,959)	-	(59,959)
	<u>-</u>	<u>1,235,408</u>	<u>3,334,402</u>	<u>4,569,810</u>
Net change in fund balances	(91,239)	902,979	(734,911)	76,829
FUND BALANCES, BEGINNING OF YEAR	<u>383,152</u>	<u>917,686</u>	<u>5,630,482</u>	<u>6,931,320</u>
FUND BALANCES, END OF YEAR	<u>\$ 291,913</u>	<u>\$ 1,820,665</u>	<u>\$ 4,895,571</u>	<u>\$ 7,008,149</u>

FAIRIFIELD COUNTY
COMPARATIVE BALANCE SHEETS
GENERAL FUND

Schedule 6

	JUNE 30,	
	2011	2010
ASSETS		
Cash and cash equivalents	\$ 10,599,780	\$ 10,944,516
Taxes receivable, net	490,300	542,806
Accounts receivable, net	39,914	57,509
Due from other funds	590,315	287,584
Due from component unit	-	82,869
Due from other governmental units	1,158,507	1,240,873
Prepaid items	24,160	60,533
Note receivable	360,000	-
Total assets	\$ 13,262,976	\$ 13,216,690
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 377,016	\$ 373,038
Accrued expenses	702,655	583,383
Deferred revenue	264,288	354,272
Due to tax payers	4,607	5,109
Due to other agencies	151,850	113,666
Due to component units	12,559	885,270
Due to other governmental units	10,277	7,694
Total liabilities	1,523,252	2,322,432
Fund balances:		
Nonspendable		
Prepaid items	24,160	60,533
Note receivable	360,000	-
Committed		
General government	3,480,000	3,480,000
Health and welfare	760,000	760,000
Unassigned	7,115,564	6,593,725
Total fund balances	11,739,724	10,894,258
Total liabilities and fund balances	\$ 13,262,976	\$ 13,216,690

FAIRFIELD COUNTY
 COMPARATIVE STATEMENTS OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 GENERAL FUND

Schedule 7

	For the years ended	
	June 30,	
	2011	2010
REVENUES		
Taxes	\$ 18,939,409	\$ 17,838,040
Sales tax	1,999,954	1,812,815
Intergovernmental	990,561	1,173,275
Licenses, permits, fines and fees	749,414	793,893
Charges for services	345,058	376,626
Investment income	49,527	75,064
Miscellaneous	87,251	59,010
Total revenues	23,161,174	22,128,723
EXPENDITURES		
General government	6,295,099	6,222,406
Public safety	4,730,936	4,539,017
Public works and utilities	1,229,513	1,189,974
Health and welfare	3,886,455	4,079,768
Judicial	972,011	976,833
Cultural and recreation	1,245,504	1,233,521
Capital outlay	187,412	-
Debt service		
Principal retirement	48,836	46,738
Interest and fiscal charges	4,484	6,583
Total expenditures	18,600,250	18,294,840
Excess revenues over expenditures	4,560,924	3,833,883
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of capital assets	1,731	211,723
Transfers in	59,959	199,465
Transfers out	(3,777,148)	(6,190,162)
Total other financing uses	(3,715,458)	(5,778,974)
Net change in fund balances	845,466	(1,945,091)
FUND BALANCE, BEGINNING OF YEAR	10,894,258	12,839,349
FUND BALANCE, END OF YEAR	\$ 11,739,724	\$ 10,894,258

FAIRFIELD COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2011

	Tourism Promotion	Tourism Related	Airport	Transit System	Sheriff Seizure	Railroad Track Maintenance
ASSETS						
Cash and cash equivalents	\$ 31,831	\$ 12,350	\$ -	\$ 36,118	\$ 13,946	\$ 48,817
Taxes receivable, net	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Due from other governmental units	-	-	528,332	52,809	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 31,831</u>	<u>\$ 12,350</u>	<u>\$ 528,332</u>	<u>\$ 88,927</u>	<u>\$ 13,946</u>	<u>\$ 48,817</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 22,818	\$ 22,019	\$ -	\$ -
Accrued expenses	-	-	-	24,617	-	-
Deferred revenue	-	-	-	-	-	-
Due to general fund	-	-	485,469	-	-	-
Total liabilities	-	-	<u>509,287</u>	<u>46,636</u>	-	-
FUND BALANCE						
Nonspendable - prepaid items	-	-	-	-	-	-
Restricted	-	-	19,045	-	-	-
General government	-	-	-	-	13,946	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	42,291	-	-
Judicial	-	-	-	-	-	-
Cultural and recreation	31,831	12,350	-	-	-	-
Committed	-	-	-	-	-	48,817
Cultural and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>31,831</u>	<u>12,350</u>	<u>19,045</u>	<u>42,291</u>	<u>13,946</u>	<u>48,817</u>
Total liabilities and fund balance	<u>\$ 31,831</u>	<u>\$ 12,350</u>	<u>\$ 528,332</u>	<u>\$ 88,927</u>	<u>\$ 13,946</u>	<u>\$ 48,817</u>

FAIRFIELD COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Clerk of Court Incentive	Clerk of Court IV-D	Victim Assistance	Fish Hook Housing	911 Tariff	County Donations
ASSETS						
Cash and cash equivalents	\$ 72,881	\$ -	\$ 185,082	\$ 5,870	\$ 316,463	\$ 6,262
Taxes receivable, net	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	5,223	-
Due from other governmental units	-	10,088	-	-	70,730	-
Prepaid items	-	2,805	-	-	-	-
Total assets	\$ 72,881	\$ 12,893	\$ 185,082	\$ 5,870	\$ 392,416	\$ 6,262
LIABILITIES						
Accounts payable	\$ -	\$ 297	\$ 496	\$ -	\$ 6,590	\$ -
Accrued expenses	-	1,899	2,723	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to general fund	-	10,697	-	-	-	-
Total liabilities	\$ -	\$ 12,893	\$ 3,219	\$ -	\$ 6,590	\$ -
FUND BALANCE						
Nonspendable - prepaid items	-	2,805	-	-	-	-
Restricted	-	-	-	-	-	-
General government	-	-	-	5,870	-	-
Public safety	-	-	181,863	-	-	-
Health and welfare	-	-	-	-	385,826	-
Judicial	72,881	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,262
Unassigned	-	(2,805)	-	-	-	-
Total fund balance	\$ 72,881	\$ -	\$ 181,863	\$ 5,870	\$ 385,826	\$ 6,262
Total liabilities and fund balance	\$ 72,881	\$ 12,893	\$ 185,082	\$ 5,870	\$ 392,416	\$ 6,262

FAIRFIELD COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Workforce Investment Act	Justice Assistance Grant	Fire Protection Tax District	Grant Subfunds	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 964,526	\$ 45,193	\$ 1,739,339
Taxes receivable, net	-	-	30,300	-	30,300
Accounts receivable, net	-	-	-	-	5,223
Due from other governmental units	16,896	7	23	99,218	778,103
Prepaid items	-	-	13	-	2,818
Total assets	\$ 16,896	\$ 7	\$ 994,862	\$ 144,411	\$ 2,555,783
LIABILITIES					
Accounts payable	\$ 2,394	-	\$ 18,244	\$ 10,388	\$ 83,246
Accrued expenses	6,196	-	6,205	1,412	43,052
Deferred revenue	-	-	18,505	-	18,505
Due to general fund	8,306	7	-	84,836	590,315
Total liabilities	16,896	7	42,954	96,636	735,118
FUND BALANCE					
Nonspendable - prepaid items	-	-	13	-	2,818
Restricted	-	-	-	-	24,915
General government	-	-	-	-	1,195,479
Public safety	-	-	951,895	47,775	428,117
Health and welfare	-	-	-	-	72,881
Judicial	-	-	-	-	44,181
Cultural and recreation	-	-	-	-	48,817
Committed	-	-	-	-	6,262
Cultural and recreation	-	-	-	-	(2,805)
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	-	-	951,908	47,775	1,820,665
Total liabilities and fund balance	\$ 16,896	\$ 7	\$ 994,862	\$ 144,411	\$ 2,555,783

FAIRFIELD COUNTY
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For the fiscal year ended June 30, 2011

	Tourism Promotion	Tourism Related	Airport	Transit System	Sheriff Seizure	Railroad Track Maintenance
REVENUES						
Taxes	\$ 30,857	\$ 66,857	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	491,127	144,562	-	-
Licenses, permits, fines and fees	-	-	-	-	-	-
Charges for services	-	-	-	250,828	-	-
Investment income	-	-	-	-	43	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>30,857</u>	<u>66,857</u>	<u>491,127</u>	<u>395,390</u>	<u>43</u>	<u>-</u>
EXPENDITURES						
General government	-	-	491,627	-	-	-
Public safety	-	-	-	-	1,000	-
Public works and utilities	-	-	-	-	-	-
Health and welfare	-	-	-	679,537	-	-
Judicial	-	-	-	-	-	-
Cultural and recreation	28,965	61,600	-	-	-	5,226
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>28,965</u>	<u>61,600</u>	<u>491,627</u>	<u>679,537</u>	<u>1,000</u>	<u>5,226</u>
Excess (deficiency) of revenues over (under) expenditures	1,892	5,257	(500)	(284,147)	(957)	(5,226)
OTHER FINANCING SOURCES (USES)						
Dissolution of the Rural Fire Protection District component unit	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	172,608	-	15,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	<u>172,608</u>	-	<u>15,000</u>
Net change in fund balance	1,892	5,257	(500)	(111,539)	(957)	9,774
FUND BALANCES, BEGINNING OF YEAR	29,939	7,093	19,545	153,830	14,903	39,043
FUND BALANCES, END OF YEAR	<u>\$ 31,831</u>	<u>\$ 12,350</u>	<u>\$ 19,045</u>	<u>\$ 42,291</u>	<u>\$ 13,946</u>	<u>\$ 48,817</u>

FAIRFIELD COUNTY
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For the fiscal year ended June 30, 2011

	Clerk of Court Incentive	Clerk of Court IV-D	Victim Assistance	Fish Hook Housing	911 Tariff	County Donations
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,357	128,105	-	-	114,238	-
Licenses, permits, fines and fees	-	-	45,473	-	151,890	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	286	4,443	-	10	5,150
Total revenues	<u>6,357</u>	<u>128,391</u>	<u>49,916</u>	<u>-</u>	<u>266,138</u>	<u>5,150</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	70,239	-	-	200
Public works and utilities	-	-	-	-	-	-
Health and welfare	-	-	-	-	136,470	-
Judicial	-	68,432	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	76,373	5,000
Debt service	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	<u>68,432</u>	<u>70,239</u>	<u>-</u>	<u>212,843</u>	<u>5,200</u>
Excess (deficiency) of revenues over (under) expenditures	6,357	59,959	(20,323)	-	53,295	(50)
OTHER FINANCING SOURCES (USES)						
Dissolution of the Rural Fire Protection District component unit	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(59,959)	-	-	-	-
Total other financing sources (uses)	-	<u>(59,959)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6,357	-	(20,323)	-	53,295	(50)
FUND BALANCES, BEGINNING OF YEAR	<u>66,524</u>	<u>-</u>	<u>202,186</u>	<u>5,870</u>	<u>332,531</u>	<u>6,312</u>
FUND BALANCES, END OF YEAR	<u>\$ 72,881</u>	<u>\$ -</u>	<u>\$ 181,863</u>	<u>\$ 5,870</u>	<u>\$ 385,826</u>	<u>\$ 6,262</u>

FAIRFIELD COUNTY
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For the fiscal year ended June 30, 2011

	Workforce Investment Act	Justice Assistance Grant	Fire Protection Tax District	Grant Subfunds	Totals
REVENUES					
Taxes	\$ -	\$ -	\$ 24,488	\$ -	\$ 122,202
Intergovernmental	270,110	63,013	12,853	283,943	1,514,308
Licenses, permits, fines and fees	-	-	-	300	197,663
Charges for services	-	-	-	-	250,828
Investment income	-	-	-	-	43
Miscellaneous	-	-	2,257	9,083	21,229
Total revenues	<u>270,110</u>	<u>63,013</u>	<u>39,598</u>	<u>293,326</u>	<u>2,106,273</u>
EXPENDITURES					
General government	298,186	-	-	29,850	819,663
Public safety	-	5,713	69,756	37,307	184,215
Public works and utilities	-	-	-	151,500	151,500
Health and welfare	-	-	-	50,858	866,865
Judicial	-	-	-	-	68,432
Cultural and recreation	-	-	-	33,256	129,047
Capital outlay	-	57,300	17,139	21,073	176,885
Debt service	-	-	-	-	38,555
Principal retirement	-	-	38,555	-	3,540
Interest and fiscal charges	-	-	3,540	-	-
Total expenditures	<u>298,186</u>	<u>63,013</u>	<u>128,990</u>	<u>323,844</u>	<u>2,438,702</u>
Excess (deficiency) of revenues over (under) expenditures	(28,076)	-	(89,392)	(30,518)	(332,429)
OTHER FINANCING SOURCES (USES)					
Dissolution of the Rural Fire Protection District component unit	-	-	1,034,340	-	1,034,340
Proceeds from sale of capital assets	-	-	6,960	-	6,960
Transfers in	28,076	-	-	38,383	254,067
Transfers out	-	-	-	-	(59,959)
Total other financing sources (uses)	<u>28,076</u>	<u>-</u>	<u>1,041,300</u>	<u>38,383</u>	<u>1,235,408</u>
Net change in fund balance	-	-	951,908	7,865	902,979
FUND BALANCES, BEGINNING OF YEAR	-	-	-	39,910	917,686
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,908</u>	<u>\$ 47,775</u>	<u>\$ 1,820,665</u>

FAIRFIELD COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2011

	Capital Improvement Projects	Road Improvement Program	W.B. Brown Industrial Park	Water and Sewer Program	Vehicle Replacement Program	Total Nonmajor Capital Project Funds
ASSETS						
Cash and cash equivalents	\$ 2,322,035	\$ 138,343	\$ 504,486	\$ 1,358,514	\$ 135,198	\$ 4,458,576
Accounts receivable, net	12,270	63	329	961	15,720	29,343
Due from other governmental units	-	141,027	-	-	-	141,027
Note receivable	-	-	490,120	-	-	490,120
Total assets	<u>\$ 2,334,305</u>	<u>\$ 279,433</u>	<u>\$ 994,935</u>	<u>\$ 1,359,475</u>	<u>\$ 150,918</u>	<u>\$ 5,119,066</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 172,597	\$ 33,871	\$ 188	\$ -	\$ 952	\$ 207,608
Retainage payable	15,887	-	-	-	-	15,887
Total liabilities	188,484	33,871	188	-	952	223,495
Fund balances:						
Nonspendable - note receivable	-	-	490,120	-	-	490,120
Committed						
General government	-	-	504,627	-	-	504,627
Public works and utilities	-	245,562	-	1,359,475	-	1,605,037
Capital outlay	2,145,821	-	-	-	149,966	2,295,787
Total fund balances	2,145,821	245,562	994,747	1,359,475	149,966	4,895,571
Total liabilities and fund balances	<u>\$ 2,334,305</u>	<u>\$ 279,433</u>	<u>\$ 994,935</u>	<u>\$ 1,359,475</u>	<u>\$ 150,918</u>	<u>\$ 5,119,066</u>

FAIRFIELD COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 For the year ended June 30, 2011

	Capital Improvement Projects	Road Improvement Program	W.B. Brown Industrial Park	Water and Sewer Program	Vehicle Replacement Program	Total Nonmajor Capital Project Funds
REVENUES						
Intergovernmental	\$ 16,507	\$ 286,476	\$ -	\$ -	\$ -	\$ 302,983
Miscellaneous	38,070	63	329	961	29,332	68,755
Total revenues	54,577	286,539	329	961	29,332	371,738
EXPENDITURES						
General government	776,743	-	111,666	-	34,817	923,226
Public works and utilities	-	69,206	-	125,809	-	195,015
Cultural and recreation	87,912	-	-	-	-	87,912
Capital outlay	2,450,743	230,979	-	-	553,176	3,234,898
Total expenditures	3,315,398	300,185	111,666	125,809	587,993	4,441,051
Excess (deficiency) of revenues over (under) expenditures	(3,260,821)	(13,646)	(111,337)	(124,848)	(558,661)	(4,069,313)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	11,321	11,321
Transfers in	3,017,981	70,000	35,000	100,000	100,100	3,323,081
Total other financing sources (uses)	3,017,981	70,000	35,000	100,000	111,421	3,334,402
Net change in fund balances	(242,840)	56,354	(76,337)	(24,848)	(447,240)	(734,911)
FUND BALANCES, BEGINNING OF YEAR	2,388,661	189,208	1,071,084	1,384,323	597,206	5,630,482
FUND BALANCES, END OF YEAR	\$ 2,145,821	\$ 245,562	\$ 994,747	\$ 1,359,475	\$ 149,966	\$ 4,895,571

FAIRFIELD COUNTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
TRANSIT SYSTEM
For the fiscal year ended June 30, 2011

Schedule 12

REVENUES

Federal	\$ 123,071
State	21,491
Medicaid collections	242,555
Farebox	8,046
Contract	<u>227</u>
Total revenues	<u>395,390</u>

EXPENDITURES

Administration	
Salaries and fringe benefits	114,820
Printing and binding	426
Office supplies	665
Utilities	7,630
Insurance	7,843
Telephone	3,488
Equipment maintenance	150
Medical fees	33
Rental	165
Other	<u>6</u>
Total administration	<u>135,226</u>
Operations	
Salaries and fringe benefits	79,530
Vehicle services	1,479
Equipment maintenance	152
Other supplies	4,523
Medical fees	131
Rental	735
Fuel	2,782
Other	<u>911</u>
Total operations	<u>90,243</u>
Medicaid	
Salaries and fringe benefits	200,800
Other supplies	8,706
Telephone	2,158
Medical fees	193
Rental	40,088
Fuel	100,139
Vehicle services	1,055
Other	<u>956</u>
Total medicaid	<u>354,095</u>

FAIRFIELD COUNTY
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 TRANSIT SYSTEM
 For the fiscal year ended June 30, 2011

Schedule 12

EXPENDITURES, continued

Capital

Equipment	3,786
Salaries and fringe benefits	94,869
Rental	1,276
Other	42
	<u>99,973</u>

Total capital	<u>99,973</u>
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Total expenditures	<u>679,537</u>
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Deficiency of revenues under expenditures	<u>(284,147)</u>
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OTHER FINANCING SOURCES

Transfer in	<u>172,608</u>
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Total other financing sources	<u>172,608</u>
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Net change in fund balance	(111,539)
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FUND BALANCE, BEGINNING OF YEAR	<u>153,830</u>
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FUND BALANCE, END OF YEAR	<u>\$ 42,291</u>
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FAIRFIELD COUNTY
 SCHEDULE OF COURT FINES, SURCHARGES AND ASSESSMENT ACTIVITY
 VICTIMS ASSISTANCE
 For the fiscal year ended June 30, 2011

Schedule 13

COURT FINES		
Collected		\$ 114,442
Retained by County		<u>35,561</u>
		<u>78,881</u>
COURT ASSESSMENTS		
Collected		16,676
Retained by County		<u>1,580</u>
		<u>15,096</u>
COURT SURCHARGES		
Collected		99,761
Retained by County		<u>8,332</u>
		<u>91,429</u>
VICTIMS ASSISTANCE		
Court assessments		35,561
Court surcharges		9,912
Miscellaneous revenue		<u>4,443</u>
Allocated to Victims Assistance		49,916
Victims Assistance expenditures		<u>70,239</u>
Deficiency of revenues under expenditures		(20,323)
FUND BALANCE, BEGINNING OF YEAR		<u>202,186</u>
FUND BALANCE, END OF YEAR		<u><u>\$ 181,863</u></u>

FAIRFIELD COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2011

Schedule 14

Assessed value (1)		<u>\$ 124,990,644</u>
Debt limit - 8% of assessed value (2)		\$ 9,999,252
Amount of debt applicable to debt limit (3):		
Total bonded debt	\$ 7,270,000	
Less: Debt service funds available	291,913	
Total debt applicable to debt limit		<u>6,978,087</u>
Legal debt margin		<u>\$ 3,021,165</u>

NOTES:

- (1) The assessed valuation shown is the assessed value at December 31, 2008 used for 2009 property tax computations.
- (2) The legal debt limit is controlled by Article X, Section 14 of the Constitution of the State of South Carolina.
- (3) The legal debt limit governed by Article X of the Constitution of the State of South Carolina provided that each county, township, school district, municipal or subdivision may issue bonded indebtedness up to eight percent of the assessed value of all corporation or political division property therein. The debt limit of eight percent can be exceeded only after a referendum of the voters is affected.

SINGLE AUDIT SECTION



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

Fairfield County Council
Fairfield County
Winnsboro, South Carolina

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Fairfield County, South Carolina (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the County Council, management, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis, LLC

Columbia, South Carolina
December 16, 2011



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Fairfield County Council
Fairfield County
Winnsboro, South Carolina

COMPLIANCE

We have audited the compliance of Fairfield County (the County) with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the County Council, management and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis, LLC

Columbia, South Carolina
December 16, 2011

FAIRFIELD COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended June 30, 2011

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

- | | |
|---|---------------|
| (a.) Type of auditors' report issued: | Unqualified |
| (b.) Internal control over financial reporting: | |
| 1) Material weaknesses identified: | None reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (c.) Noncompliance material to financial statements: | None reported |

Federal Awards

- | | |
|---|---------------|
| (a.) Internal control over major programs: | |
| 1) Material weaknesses identified: | None reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (b.) Type of auditors' report issued on compliance for major programs: | Unqualified |
| (c.) Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133: | None reported |
| (d.) Identification of major programs: | |

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
11.300	Public Works Program/Workforce Training Center
20.106	Airport Improvement Program

- | | |
|---|-----------|
| (e.) Dollar threshold used to distinguish between type A and type B Programs: | \$300,000 |
| (f.) Auditee qualified as low risk auditee? | Yes |

FAIRFIELD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

II. FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

NONE REPORTED

III. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

NONE REPORTED

FAIRFIELD COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the fiscal year ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>
Justice Assistance Grant Program - Cluster		
U.S. DEPARTMENT OF JUSTICE		
Passed through South Carolina Law Enforcement Division Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 23,147
Edward Byrne Memorial Justice Assistance Grant Program/ Grants to Units of Local Government - ARRA	16.804	<u>39,866</u>
Total Justice Assistance Grant Program - Cluster		<u>63,013</u>
Workforce Investment Act - Cluster		
U.S. DEPARTMENT OF LABOR		
Passed through South Carolina Employment Security Commission		
Workforce Investment Act - Adult Program	17.258	233,936
Workforce Investment Act - Dislocated Workers	17.260	<u>36,174</u>
Total Workforce Investment Act - Cluster		<u>270,110</u>
Other Programs		
U.S. DEPARTMENT OF COMMERCE		
Passed through South Carolina Department of Commerce		
Public Works Program/Workforce Training Center	11.300	<u>1,148,758</u>
Total U.S. Department of Commerce		<u>1,148,758</u>
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through the South Carolina Department of Highways & Public Transportation		
Federal Transit Formula Grants	20.507	119,285
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	3,786
Passed through the South Carolina Department of Commerce/Division of Aeronautics		
Airport Improvement Program	20.106	<u>491,127</u>
Total U.S. Department of Transportation		<u>614,198</u>
U.S. DEPARTMENT OF AGRICULTURE		
National Forest Funds	10.672	<u>26,410</u>
Total U.S. Department of Agriculture		<u>26,410</u>
U.S. Department of Homeland Security		
Passed through South Carolina Adjutant General's Office		
Emergency Management Performance Grants	97.042	<u>50,549</u>
Total Federal Emergency Management Agency		<u>50,549</u>
U.S. DEPARTMENT OF ENERGY		
Passed through South Carolina Energy Office		
Energy Efficiency and Conservation Block Grant - ARRA	81.128	<u>51,958</u>
Total U.S. Department of Energy		<u>51,958</u>
U.S. DEPARTMENT of HEALTH and HUMAN SERVICES		
Passed through South Carolina Department of Social Services		
Child Support Enforcement Title IV-D Incentives	93.563	<u>134,463</u>
Total U.S. Department of Health and Human Services		<u>134,463</u>
Total federal awards (accrual basis of accounting)		<u>\$ 2,359,459</u>