

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2012**

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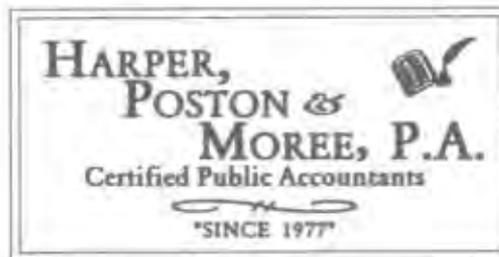
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County, South Carolina as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Williamsburg County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Williamsburg County Alcohol & Drug Abuse Commission special revenue fund, which represents 10 percent and 14 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included in the other governmental fund column for the Williamsburg County Alcohol and Drug Abuse Commission is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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, and the report of other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of June 30, 2012, and respective changes in the financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2013 on our consideration of Williamsburg County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 61 through 65 and the schedule of funding progress and employer contribution on page 66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Williamsburg's financial statements taken as a whole. The combining and individual financial statements and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the County of Williamsburg. The combining and individual fund financial statements, supplemental information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our report and the report of other auditors, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Harper, Poston & Moree, P.A.
Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
April 15, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Williamsburg County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Williamsburg County for the fiscal year ended June 30, 2012. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2012 by \$33,283 (net assets). This is an increase of \$1,633 from the prior year net assets. This increase is due from the increase of grant revenues in Public Works.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$21,087. This is a decrease in fund balance from the prior year in the amount of \$11,995. This decrease in fund balance is due to the expenditure of the net proceeds from the Installment Purchase Revenue Bond (IPRB) for the construction of four county essential governmental buildings. Approximately 21% or \$4,454 of the total fund balance is available for spending at the government's discretion (unreserved fund balance). This unreserved total is 25% of the total general fund expenditures.
- ❖ Williamsburg County's long-term debt decreased by \$1,335 during the current fiscal year. There was a principal reduction in the general obligation bonds of \$591, a reduction in capital leases in the amount of \$432 and a reduction in revenue bonds in the amount of \$85. The Bond Anticipation Note purchased last year was reissued in 2012 with a principal reduction of \$250.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Williamsburg County's basic financial statements which are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements, and
3. Notes to the financial statements

This report also contains other supplementary financial information in addition to the basic financial statements themselves.

Government-wide financial statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Williamsburg County and are similar to private sector financial statements. They include a statement of net assets and a statement of activities. These statements appear on pages 14 and 15 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net assets and of activities in the fund financial statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Unit. For those readers interested in more information on the component unit, contact information is provided in Note 1. A. on page 28 of this report.

The Statement of Net Assets shows the County's assets less its liabilities at June 30, 2012. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

The Statement of Activities follows the Statement of Net Assets and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows.

Both statements attempt to distinguish functions of Williamsburg County that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, public safety, public works, health and welfare, economic development, culture and recreation, and environmental services (landfill). Major business activities include water and sewer, transit system, and a countywide E-911 communication system.

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. Like other state and local governments, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Williamsburg County can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. Governmental funds, presented on pages 16 through 19, essentially account for the same functions as those reported under government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Williamsburg County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Williamsburg County's statements include four major funds, the General Fund, the Rural Fire Fund, the Landfill Fund, Capital Projects Fund and the Debt Service Fund. The smaller governmental funds in Williamsburg County government are Federal and State Grant Fund, Road & Bridges Fund, Industrial Park Fund, Sheriff Special Fund and Williamsburg County Alcohol & Drug Abuse Fund. They have been presented in a total column termed as "other governmental funds". Their detail can be reviewed on pages 68 and 69.

Proprietary funds. Williamsburg County maintains and presents proprietary funds for three enterprises, Water and Sewer, Transit Authority and E-911, shown on pages 20 through 25 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for Water and Sewer, Transit, and E-911.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Williamsburg County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 28 through 60.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Williamsburg County, assets exceed liabilities by \$33,283 at the close of the June 30, 2012 fiscal year.

Of this amount, \$30,985 (93%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County's net assets, \$1,023 (3%) represents restrictions for Landfill Closure and Post Closure; \$1,992 (5%) represents restrictions for debt service; \$189 is restricted for public safety and \$51 is restricted for general government.

At the end of the current fiscal year, Williamsburg County is able to report positive balances in the government as a whole, as well as for its separate governmental and business-type activities.

Williamsburg County's Net Assets June 30, 2012 (Recapped from page 14)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	28,176	38,834	2,385	1,922	30,561	40,756
Capital assets	33,797	24,511	31,858	30,965	65,655	55,476
Total assets	61,973	63,345	34,243	32,887	96,216	96,232
Long-term liabilities outstanding	43,161	45,230	10,554	7,142	53,715	52,372
Other liabilities	8,399	7,323	819	4,887	9,218	12,210
Total liabilities	51,560	52,553	11,373	12,029	62,933	64,582
Net Assets:						
Invested in capital assets, net of related debt	9,678	8,446	21,307	20,321	30,985	28,767
Restricted for:						
Public Safety	189	240	-	-	189	240
General Government	51	58	-	-	51	58
Landfill closure and post closure	1,023	2,753	-	-	1,023	2,753
Restricted - other	2,332	3,180	96	57	2,428	3,237
Unrestricted	(2,860)	(3,885)	1,467	480	(1,393)	(3,405)
Total net assets	10,413	10,792	22,870	20,858	33,283	31,650

Governmental activities. Governmental activities decreased the County's net assets by \$380. Of this decrease, \$706 was monies transferred to the Business-type activities for general operation.

Business-type activities. Business-type activities increased the County's net assets by \$2,012 accounting for the increase in the government's net assets. Combined increase of Net Assets is \$1,633.

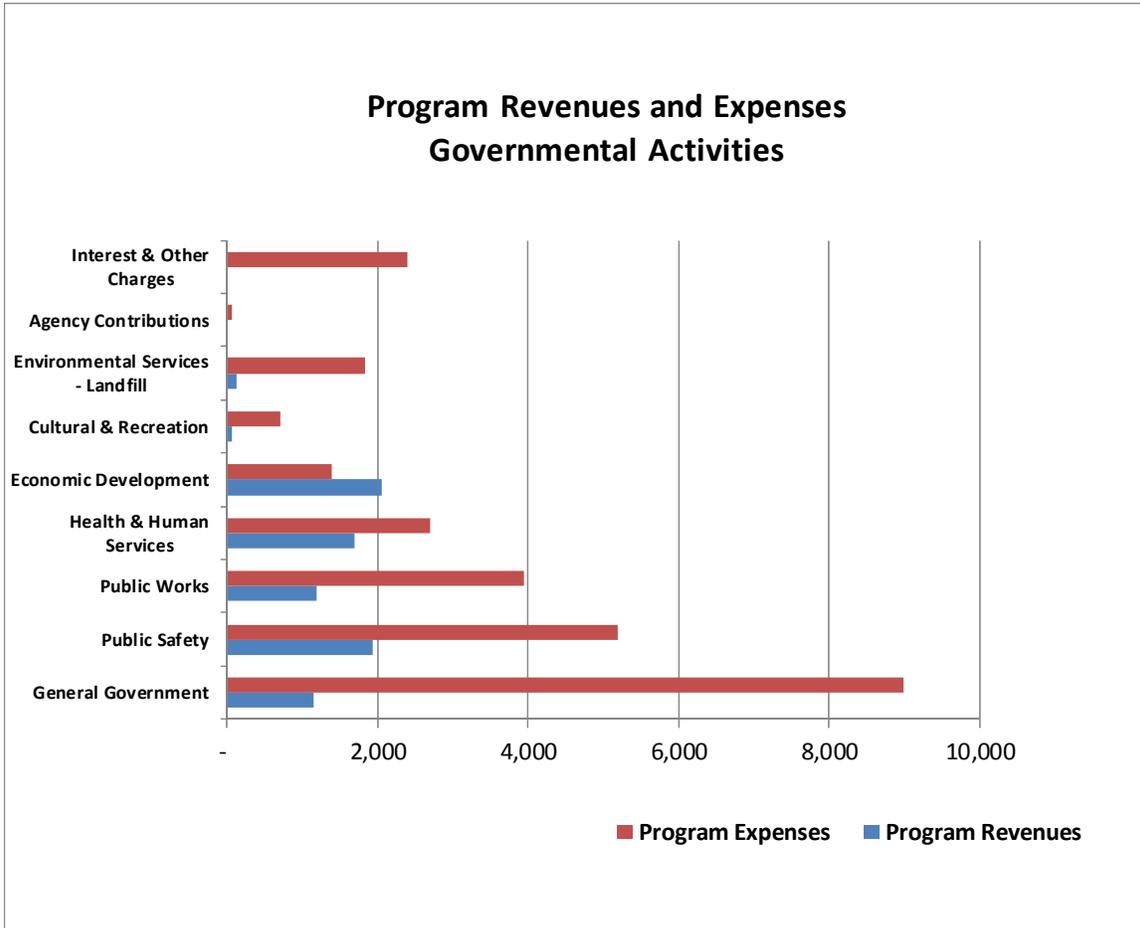
Williamsburg County, South Carolina
Changes in Net Assets (Recapped)
For the Fiscal Year ended June 30, 2012

Property tax revenues increased over last year by \$179 or 1%. This increase is primarily due to the expansion of the industrial tax base in the County. The \$1,513 increase in grant revenue in the governmental funds was primarily from increased activity with airport improvement grants. The County implemented a solid waste fee during the year, which increased revenue by \$1,841. Other revenue sources experienced moderate changes during the year, resulting in a combined increase of \$3,221. Program activities increased by \$2,288

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	2,382	1,805	2,495	2,291	4,877	4,096
Operating grants and contributions	4,439	3,561	707	673	5,146	4,234
Capital grants and contributions	1,360	725	2,612	2,798	3,972	3,523
General revenues:						
Property taxes	10,890	10,712	-	-	10,890	10,712
Other taxes	2,144	2,210	-	-	2,144	2,210
Local government fund	1,060	1,322	-	-	1,060	1,322
Other revenue	5,088	3,583	-	-	5,088	3,583
Investment earnings	175	150	5	19	180	169
Total Revenue	27,538	24,068	5,819	5,781	33,357	29,849
Expenses:						
Program Activities:						
Government Activities:						
General government	8,983	8,167	-	-	8,983	8,167
Public safety	5,188	5,845	-	-	5,188	5,845
Public works	3,950	1,673	-	-	3,950	1,673
Health and welfare	2,705	2,637	-	-	2,705	2,637
Economic development	1,382	1,619	-	-	1,382	1,619
Culture and recreation	706	1,086	-	-	706	1,086
Environmental services	1,836	2,132	-	-	1,836	2,132
Agency contributions	66	76	-	-	66	76
Interest and other charges	2,395	1,811	-	-	2,395	1,811
Business-type activities:						
Water and Sewer Fund	-	-	1,604	1,395	1,604	1,395
Transit System	-	-	2,454	2,364	2,454	2,364
E-911 Fund	-	-	455	631	455	631
Total Expenses	27,211	25,046	4,513	4,390	31,724	29,436
Transfers	(706)	(145)	706	145	-	-
Increase in Net Assets	(379)	(1,123)	2,012	1,536	1,633	413
Net Assets 07/01/2011, restated	10,792	11,915	20,858	19,322	31,650	31,237
Net Assets 06/30/2012	\$10,413	\$10,792	\$22,870	\$20,858	\$33,283	\$31,650

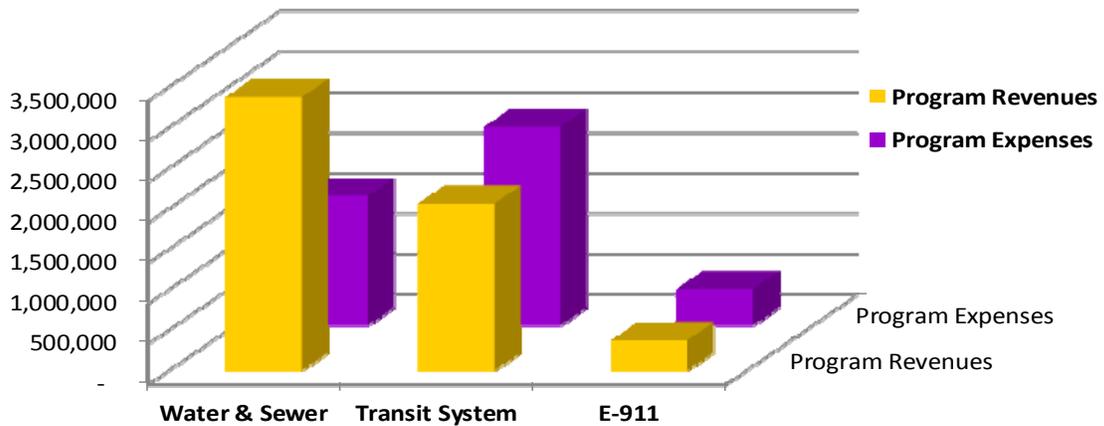
during the year as a result of increased grant activity.

Program revenues are derived directly from the program. They reduce the net cost of the function to be supported from the county's general revenue sources.



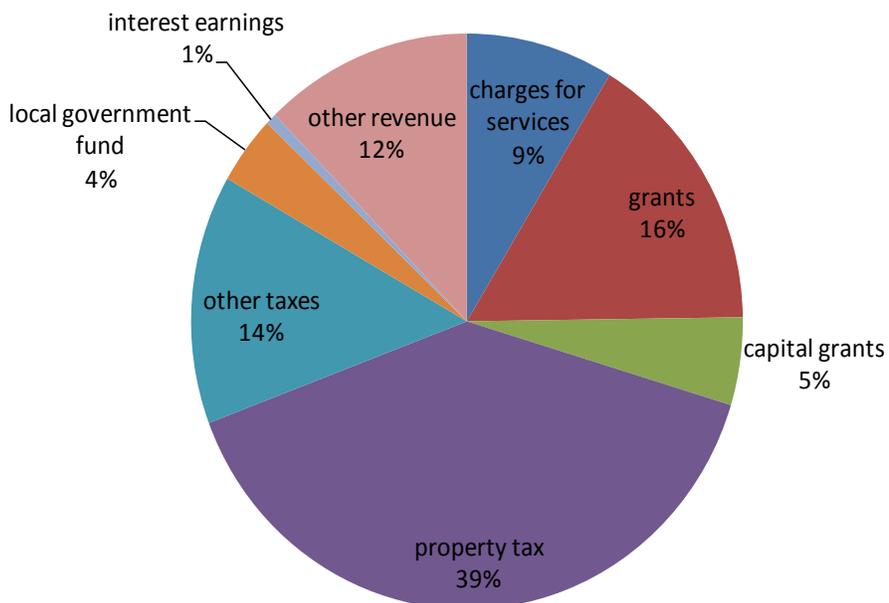
The chart above shows the governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$2,461 for 2012. Governmental Activities received \$8,181 or 30% collectively in program revenues while the program expenditures were \$27,211. This requires the remaining 70% or \$19,030 of the revenues required to meet program expenditures to come from general revenue which includes taxes. This is 7% more received in 2012 from the prior year program revenues.

Program Revenues and Expenses Business Type Activities

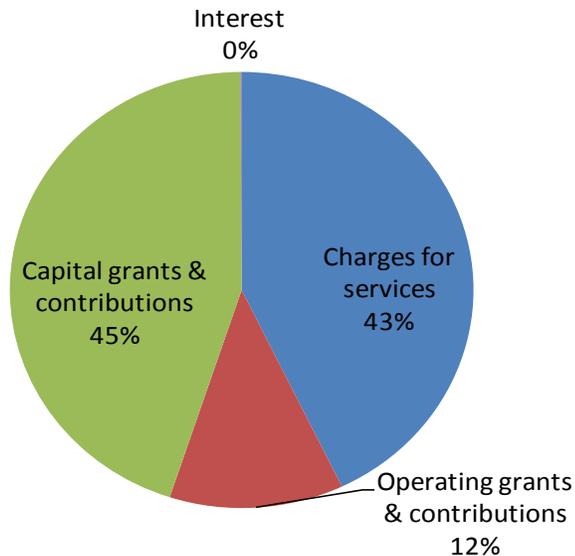


The chart above shows the Business-type activities of the county that are supported by Program Revenues. The only Business-type fund that is fully funded with its Program Revenues is the Water and Sewer Fund..

Revenues by Source - Governmental Activities



Revenues by Source - Business Type Activities



Business-type funds decreased revenue by \$27 or 0.5% while expenditures increased by 3%. This increase is based primarily on the additional operating costs of the water lines that went in to service during the year. There were transfers of \$706 to the Business Type funds to offset overages in expenditures from grants and various sources.

Financial Analysis of the Government's Funds

As noted earlier, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$21,087, a decrease of \$11,995 from the previous year. As stated on page 3 of this report, the decrease is primarily due from the expenditure of funds received from an Installment Purchase Revenue Bond (IPRB) in 2011 to build essential County buildings.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$4,549 for the general fund of which \$4,454 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total general fund expenditures. The net increase in the fund balance of the general fund was \$30 during the current year. This increase is attributed to an increase in tax revenue as discussed previously. There were Operating Transfers In in the amount of \$553 from Debt Service for the purpose of reimbursing the general fund for debt payments and reimbursement from Public Works for expenditures. Operating transfers (Out) from the general fund were \$861.

The rural fire fund has a total fund balance of \$135. This fund balance was reduced due to the reduction in grant revenue from the prior year.

The debt service fund has a total fund balance of \$1,773, all of which is reserved for the payment of debt service. A decrease of \$716 in the fund balance is the result of increased interest payments associated with 2011 IPRB debt.

The landfill closure fund has a fund balance of \$1,023, a decrease of \$921 due to the Phase II closure costs for the MSW Landfill. The other governmental funds included in the above totals had a combined fund balance of \$456.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. See pages 20 through 24.

Unrestricted net assets of the Transit System totaled \$1,490. The E-911 Fund experienced a negative unrestricted net asset of \$587, primarily due to the transfers due to the general fund for operating expenses not covered by subscriber fees. The net assets for the Water and Sewer System increased \$1,771. The Transit net assets decreased \$235. E-911 experienced an increase in net assets of \$323 due from a transfer from the General Fund.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 60 and 63 of this report. The Taxes, Fees, Fines and Other Revenue categories revenue streams experienced decreases from the original budget.

Capital Asset and Debt Administration

Capital assets. Williamsburg County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounted to \$65,655 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 18%. Both governmental activities and business-type activities experienced an increase in capital assets for the fiscal year.

Major capital assets events during the current year included the following:

- Various capital assets purchased for other departments.
- Land improvements to various facilities.
- Paving of county-owned roads.
- Construction of buildings with IPRB funds

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Capital Assets for Governmental and Business-type Activities

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	1,829	1,829	148	148	1,977	1,977
Land improvements	4,005	2,913	-	-	4,005	2,913
Buildings	10,758	4,975	16	22	10,774	4,997
Building improvements	1,901	2,036	33	38	1,934	2,074
Roads & Bridges	2,825	3,188	-	-	2,825	3,188
Water Distribution System	-		28,487	13,287	28,487	13,287
Leasehold improvements	228	254	-	-	228	254
Furniture & fixtures	727	738	8	81	735	819
Machinery & equipment	2,014	2,191	184	94	2,198	2,285
Automotive equipment	3,704	3,611	1,907	2,049	5,611	5,660
Communication equipment	166	185	700	720	866	905
Construction in progress	5,640	2,591	375	14,526	6,015	17,117
Total	\$33,797	\$24,511	\$31,858	\$30,965	\$65,655	\$55,476

Additional information on the County's capital assets can be found in Note 5 on pages 37 through 40 of this report.

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Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$46,311 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation						
bonds	5,397	5,988	-	-	5,397	5,988
Unamortized Premium	85	92	-	-	85	92
IPRB Facilities Corp	30,000	30,000			30,000	30,000
Less Unamortized Discount	(384)	(397)			(384)	(397)
Bond anticipation						
notes	910	1,160	-	-	910	1,160
Revenue bonds	-	-	10,303	6,812	10,303	6,812
Bond anticipation						
notes	-	-	-	3,576	-	3,576
Total bonds payable	36,008	36,843	10,303	10,388	46,311	47,231
Capital leases	3,307	3,714	187	212	3,494	3,926
Vehicle Acquisition Plan	-	-	61	44	61	44
	Total	40,557	10,551	10,644	49,866	51,201
	39,315	40,557	10,551	10,644	49,866	51,201

The County's total bonded debt decreased by \$920 (1%) during the current fiscal year, primarily as a result of the decreases in annual bond payments throughout the fiscal year.

Williamsburg County received an 'A-' rating from Standards & Poor's Rating group and an 'A3' rating from Moody's Investors Service for its most recent General Obligation Bonds and General Obligation Refunding Bonds, Series 2011.

South Carolina statutes limit the amount of general obligation debt a government entity may issue (without referendum) to 8% of its total assessed value. The current general obligation (G.O.) debt limit for Williamsburg County General Fund is \$7,043. The current general obligation bonds subject to the legal debt limitation is \$1,380 for the General Fund. The bonds for the Rural Fire Debt and the Installment Purchase Revenue Bond (IPRB) are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District and part of the Public Facilities Corporation.

Additional information on the County's long-term debt can be found in note 8 on pages 41 through 48 of this report.

Economic Factors and Next Year's Budgets and Rates

- ❖ As of November 2012 the annual average unemployment rate for Williamsburg County is 10.9%. This is a 1.8% decrease from the prior year of 12.7%. Despite this despairing economic condition, there were several industries that did locate or expand operations in Williamsburg County in 2012. Agru America, an industrial linings manufacturer has located in the county and is anticipated to provide 65 new jobs. Martek, a biosciences company has expanded its current operations in the county with a \$10 million investment. There have been multiple smaller gains throughout the county, as evidenced by the decreasing rate of unemployment.

- ❖ Williamsburg County is currently working with eight other projects that can possibly bring new jobs into the county. One of these, Project Wave, is a tremendous opportunity for the County and will bring in an estimated 350 jobs. This project was near completion at time of drafting.
- ❖ Williamsburg County has currently three industrial parks located in Kingstree, Hemingway and Salters, South Carolina. There are two speculative buildings available for qualifying prospects.
- ❖ Budget rates for Fiscal Year 2012/2013 are comparable to 2011/2012, with the exception of property taxes levied for debt service. This tax rate was increase in fiscal year 2012/2013 in order to service the debt on the IPRB borrowing. This was a planned rate increase. The rates for future years are not anticipated to vary to any great degree as revenue and expenditures will remain consistent with prior years.

Requests for Information:

This financial report is designed to provide a general overview of Williamsburg County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to Walt Ackerman, Williamsburg Count Director of Finance, P.O. Box 330, Kingstree, SC 29556.

BASIC FINANCIAL STATEMENTS

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash	\$ 3,312,306	\$ 885,919	\$ 4,198,225	\$ 73,491
Investments	0	1,313,207	1,313,207	0
Accounts Receivable (Net of Allowance for Uncollectibles)	0	181,318	181,318	23,990
Court Fines Receivable (Net)	111,050	0	111,050	0
Taxes Receivable (Net of Allowance for Uncollectibles)	1,471,626	0	1,471,626	0
Due From Others	159,430	0	159,430	0
Due From State	564,347	0	564,347	0
Prepaid Assets	0	93,907	93,907	0
Other Receivables	1,260,555	399,653	1,660,208	100,941
Internal Balances	652,185	(652,185)	0	0
Inventories	43,823	66,037	109,860	0
Deferred Charges	655,453	0	655,453	0
Temporarily Restricted Assets:				
Cash and Investments	19,945,278	96,394	20,041,672	0
Capital Assets (Net of Accumulated Depreciation):				
Land	1,829,225	148,000	1,977,225	0
Construction in Progress	5,640,346	375,213	6,015,559	0
Land Improvements	4,005,088	0	4,005,088	0
Roads & Bridges	2,824,538	0	2,824,538	0
Buildings	10,757,627	16,186	10,773,813	0
Building Improvements	1,901,434	33,333	1,934,767	0
Leasehold Improvements	227,877	0	227,877	0
Water & Wastewater System	0	28,486,600	28,486,600	0
Furniture & Fixtures	726,810	7,924	734,734	26,000
Machinery & Equipment	2,014,256	183,703	2,197,959	0
Automotive Equipment	3,703,789	1,907,406	5,611,195	26,397
Communication Equipment	166,428	699,996	866,424	0
TOTAL ASSETS	\$ 61,973,471	\$ 34,242,611	\$ 96,216,082	\$ 250,819
LIABILITIES				
Accounts Payable & Retainage Payable	3,652,136	456,048	4,108,184	3,347
Due to Others	574,731	20,644	595,375	0
Accrued Interest Payable	184,699	55,549	240,248	0
Accrued Salaries and Related Fringes	576,947	49,304	626,251	14,888
Customer Deposits	0	34,538	34,538	0
Deferred Revenue	370,117	0	370,117	0
Noncurrent Liabilities:				
Due Within One Year	3,040,616	202,734	3,243,350	15,454
Due In More Than One Year	43,161,496	10,553,907	53,715,403	0
TOTAL LIABILITIES	\$ 51,560,742	\$ 11,372,724	\$ 62,933,466	\$ 33,689
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt	9,678,004	21,307,278	30,985,282	52,397
Restricted For:				
Public Safety	189,335	0	189,335	0
General Government	50,702	0	50,702	0
Environmental Services	1,023,027	0	1,023,027	0
Economic Development	340,883	0	340,883	0
Road & Bridges	2,131	0	2,131	0
Health & Human Services	93,718	0	93,718	0
Debt Service	1,895,268	96,394	1,991,662	0
Unrestricted	(2,860,339)	1,466,215	(1,394,124)	164,733
TOTAL NET ASSETS	\$ 10,412,729	\$ 22,869,887	\$ 33,282,616	\$ 217,130

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS			COMPONENT UNIT
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental Activities:								
General Government	\$ 8,983,003	\$ 492,025	651,996	0	\$ (7,838,982)	\$ 0	\$ (7,838,982)	\$ 0
Public Safety	5,188,346	748,934	1,173,731	0	(3,265,681)	0	(3,265,681)	0
Public Works	3,950,321	0	1,189,243	0	(2,761,078)	0	(2,761,078)	0
Health & Human Services	2,704,467	1,031,048	661,064	0	(1,012,355)	0	(1,012,355)	0
Economic Development	1,382,342	0	697,398	1,360,152	675,208	0	675,208	0
Cultural & Recreation	705,755	40,584	14,523	0	(650,648)	0	(650,648)	0
Environmental Services	1,835,990	69,468	51,000	0	(1,715,522)	0	(1,715,522)	0
Agency Contributions	66,088	0	0	0	(66,088)	0	(66,088)	0
Interest and Other Charges	2,394,952	0	0	0	(2,394,952)	0	(2,394,952)	0
Total Governmental Activities	\$ 27,211,264	\$ 2,382,059	\$ 4,438,955	\$ 1,360,152	\$ (19,030,098)	\$ 0	\$ (19,030,098)	\$ 0
Business-Type Activities:								
Water & Sewer Fund	1,604,006	1,185,951	0	2,189,095	0	1,771,040	1,771,040	0
Williamsburg County Transit System	2,453,618	983,036	706,736	375,179	0	(388,667)	(388,667)	0
E 911 Fund	455,615	326,280	0	48,052	0	(81,283)	(81,283)	0
Total Business-Type Activities	\$ 4,513,239	\$ 2,495,267	\$ 706,736	\$ 2,612,326	\$ 0	\$ 1,301,090	\$ 1,301,090	\$ 0
Total Primary Government	\$ 31,724,503	\$ 4,877,326	\$ 5,145,691	\$ 3,972,478	\$ (19,030,098)	\$ 1,301,090	\$ (17,729,008)	\$ 0
Component Unit								
Williamsburg County Library	\$ 544,350	\$ 20,433	\$ 114,779	\$ 0				\$ (409,138)
Total Component Unit	\$ 544,350	\$ 20,433	\$ 114,779	\$ 0				\$ (409,138)

GENERAL REVENUES

Taxes Levied for General Purposes	\$ 8,793,590	\$ 0	\$ 8,793,590	\$ 0
Taxes Levied For Debt Services	2,096,791	0	2,096,791	0
Contributions from Primary Government	0	0	0	403,764
Road User Fees	865,840	0	865,840	0
Solid Waste Fees	1,840,535	0	1,840,535	0
Landfill Closure Fee	467,847	0	467,847	0
Local Option Sales Tax	2,143,666	0	2,143,666	0
Local Government Fund	1,059,561	0	1,059,561	0
State Shared Taxes	1,713,734	0	1,713,734	0
Interest	174,824	4,574	179,398	209
Miscellaneous Revenue	200,562	0	200,562	0
Transfers	(706,417)	706,417	0	0
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS	\$ 18,650,533	\$ 710,991	\$ 19,361,524	\$ 403,973
CHANGES IN NET ASSETS	\$ (379,565)	\$ 2,012,081	\$ 1,632,516	\$ (5,165)
NET ASSETS, Beginning of Year (Restated)	10,792,294	20,857,806	31,650,100	222,295
NET ASSETS, End of Year	\$ 10,412,729	\$ 22,869,887	\$ 33,282,616	\$ 217,130

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>GENERAL FUND</u>	<u>RURAL FIRE FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS							
Cash	\$ 2,587,181	\$ 294,628	\$ 313,472	\$ 0	\$ 117	\$ 116,908	\$ 3,312,306
Cash Restricted	57,825		0	15,137,493	3,239,237	1,510,723	19,945,278
Court Fines Receivable (Net of Allowance)	111,050	0	0	0	0	0	111,050
Due from Others	159,430	0	0	0	0	0	159,430
Taxes Receivable (Net of Allowance)	1,079,436	87,786	0	0	189,143	115,261	1,471,626
Other Receivables	395,749	0	273,611	131	16,323	574,741	1,260,555
Due from State Government	564,347	0	0	0	0	0	564,347
Inventory	0	0	0	0	0	43,823	43,823
Due from Other Funds	3,195,744	18,195	0	0	0	0	3,213,939
TOTAL ASSETS	\$ 8,150,762	\$ 400,609	\$ 587,083	\$ 15,137,624	\$ 3,444,820	\$ 2,361,456	\$ 30,082,354
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable & Retainage Payable	1,561,720	16,013	28,931	1,950,322	0	95,150	3,652,136
Due to Other Funds	0	0	332,729	35,469	1,549,552	644,004	2,561,754
Due to Others	574,731	0	0	0	0	0	574,731
Accrued Wages & Benefits Payable	492,031	19,225	28,876	0	0	36,815	576,947
Deferred Revenue	972,917	229,863	187,291	0	122,580	116,767	1,629,418
TOTAL LIABILITIES	\$ 3,601,399	\$ 265,101	\$ 577,827	\$ 1,985,791	\$ 1,672,132	\$ 892,736	\$ 8,994,986
FUND BALANCE							
Nonspendable:							
Inventory	0	0	0	0	0	43,823	43,823
Restricted for:							
Public Safety	44,866	135,508	0	0	0	8,961	189,335
General Government	50,702	0	0	0	0	0	50,702
Debt Service	0	0	0	0	1,772,688	0	1,772,688
Capital Projects	0	0	0	13,151,833	0	0	13,151,833
Health & Human Services	0	0	0	0	0	93,718	93,718
Environmental Services	0	0	0	0	0	1,023,027	1,023,027
Economic Development	0	0	9,256	0	0	340,883	350,139
Public Works	0	0	0	0	0	(41,692)	(41,692)
Unassigned	4,453,795	0	0	0	0	0	4,453,795
TOTAL FUND BALANCE	\$ 4,549,363	\$ 135,508	\$ 9,256	\$ 13,151,833	\$ 1,772,688	\$ 1,468,720	\$ 21,087,368
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,150,762	\$ 400,609	\$ 587,083	\$ 15,137,624	\$ 3,444,820	\$ 2,361,456	\$ 30,082,354

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

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

Ending fund balances - governmental funds balance sheet	\$ 21,087,368
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,797,418
Other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,259,301
Long-term liabilities, including bonds payable (net of premiums and issuance costs), capital leases, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(45,731,358)</u>
Net assets of governmental activities	<u>\$ 10,412,729</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>GENERAL FUND</u>	<u>RURAL FIRE FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES							
Taxes	\$ 11,192,636	\$ 921,589	\$ 0	\$ 0	\$ 2,078,630	\$ 456,895	\$ 14,649,750
Fees, Licenses & Permits	99,198	0	0	0	0	1,732,005	1,831,203
Intergovernmental Revenue	2,190,835	197,693	3,581,568	620,138	0	282,623	6,872,857
Charges for Services	2,818,200	0	0	0	0	21,610	2,839,810
Fines & Forfeitures	583,766	0	0	0	0	0	583,766
Miscellaneous Revenues	471,655	5,809	1,912	2,130	161,634	46,806	689,946
TOTAL REVENUES	<u>\$ 17,356,290</u>	<u>\$ 1,125,091</u>	<u>\$ 3,583,480</u>	<u>\$ 622,268</u>	<u>\$ 2,240,264</u>	<u>\$ 2,539,939</u>	<u>\$ 27,467,332</u>
EXPENDITURES							
Current:							
General Government	8,837,651	0	0	0	0	0	8,837,651
Public Safety	4,180,396	0	222,548	0	0	21,282	4,424,226
Public Works	0	1,131,065	1,188,707	0	0	988,766	3,308,538
Health and Human Services	1,457,697	0	177,626	0	0	832,864	2,468,187
Cultural and Recreational	500,459	0	10,259	0	0	0	510,718
Economic Development	149,014	0	602,312	0	0	415,745	1,167,071
Environmental Services - Landfill	1,289,077	0	52,624	0	0	1,433,553	2,775,254
Other	66,088	0	0	0	0	0	66,088
Capital Outlay:							
General Government	41,800	0	0	4,841,568	0	0	4,883,368
Public Safety	878,486	118,263	0	2,309,792	0	0	3,306,541
Public Works	0	0	0	0	0	60,437	60,437
Health and Human Services	0	0	0	0	0	27,666	27,666
Cultural and Recreational	7,800	0	0	0	0	0	7,800
Economic Development	0	0	1,360,152	1,934,573	0	0	3,294,725
Environmental Services - Landfill	15,749	0	0	0	0	0	15,749
Debt Service:							
Principal	0	0	0	0	1,997,324	0	1,997,324
Interest	39,688	0	0	0	2,284,518	0	2,324,206
Bond Issuance Costs	10,000	0	0	0	18,940	0	28,940
TOTAL EXPENDITURES	<u>\$ 17,473,905</u>	<u>\$ 1,249,328</u>	<u>\$ 3,614,228</u>	<u>\$ 9,085,933</u>	<u>\$ 4,300,782</u>	<u>\$ 3,780,313</u>	<u>\$ 39,504,489</u>
EXCESS REVENUES OVER EXPENDITURES	<u>\$ (117,615)</u>	<u>\$ (124,237)</u>	<u>\$ (30,748)</u>	<u>\$ (8,463,665)</u>	<u>\$ (2,060,518)</u>	<u>\$ (1,240,374)</u>	<u>\$ (12,037,157)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	552,953	35,814	38,890	0	1,933,307	115,659	2,676,623
Transfers (Out)	(860,966)	0	0	(1,933,307)	(588,767)	0	(3,383,040)
Lease Purchase Proceeds	727,017	0	0	0	0	21,089	748,106
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 419,004</u>	<u>\$ 35,814</u>	<u>\$ 38,890</u>	<u>\$ (1,933,307)</u>	<u>\$ 1,344,540</u>	<u>\$ 136,748</u>	<u>\$ 41,689</u>
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ 301,389</u>	<u>\$ (88,423)</u>	<u>\$ 8,142</u>	<u>\$ (10,396,972)</u>	<u>\$ (715,978)</u>	<u>\$ (1,103,626)</u>	<u>\$ (11,995,468)</u>
FUND BALANCE, Beginning of Year, As Restated	4,247,974	223,931	1,114	23,548,805	2,488,666	2,572,346	33,082,836
FUND BALANCE, End of Year	<u>\$ 4,549,363</u>	<u>\$ 135,508</u>	<u>\$ 9,256</u>	<u>\$ 13,151,833</u>	<u>\$ 1,772,688</u>	<u>\$ 1,468,720</u>	<u>\$ 21,087,368</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net change in fund balances - total governmental funds	\$ (11,995,468)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay exceeded depreciation expense in the current period.	9,317,997
Revenues in the statement of activities, such as property taxes, ambulance fees and police fines that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.	70,784
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,271,300
In the statement of activities, only the gain on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold.	(32,364)
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums and issuance costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>988,186</u>
Change in net assets of governmental activities	\$ <u><u>(379,565)</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 684,870	\$ 167,391	\$ 33,658	\$ 885,919
Investments	0	1,313,207	0	1,313,207
Restricted Cash & Investments	96,394	0	0	96,394
Inventory	0	66,037	0	66,037
Prepaid Expense	93,907	0	0	93,907
Accounts Receivable, Net of Allowance	112,026	69,292	0	181,318
Receivable - Other	178,907	191,395	29,351	399,653
TOTAL CURRENT ASSETS	\$ 1,166,104	\$ 1,807,322	\$ 63,009	\$ 3,036,435
PROPERTY, PLANT, AND EQUIPMENT				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	375,213	0	0	375,213
Water & Sewer System	32,227,655	0	0	32,227,655
Furniture and Fixtures	0	0	29,714	29,714
Machinery and Equipment	0	240,732	341,810	582,542
Vehicles	48,499	4,334,861	19,559	4,402,919
Buildings & Improvements	0	172,099	110,102	282,201
Communication Equipment	0	0	865,770	865,770
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(3,752,441)	(2,771,603)	(545,053)	(7,069,097)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 29,018,926	\$ 2,017,533	\$ 821,902	\$ 31,858,361
TOTAL ASSETS	\$ 30,185,030	\$ 3,824,855	\$ 884,911	\$ 34,894,796

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
LIABILITIES				
SHORT-TERM LIABILITIES				
Accounts Payable	\$ 23,952	\$ 98,190	\$ 0	\$ 122,142
Salaries & Accrued Benefits	5,271	42,192	1,841	49,304
Retainage Payable	333,906	0	0	333,906
Due to State Government	20,644	0	0	20,644
Due to Other Funds	29,442	7,032	615,711	652,185
Compensated Absences Payable	1,756	15,735	848	18,339
Vehicle Acquisition Plan Payable	0	60,946	0	60,946
Bonds Payable - RDA	94,830	0	0	94,830
Capital Leases Payable	0	0	28,620	28,620
Accrued Interest Payable	55,549	0	0	55,549
Customer Deposits	34,538	0	0	34,538
TOTAL SHORT-TERM LIABILITIES	\$ 599,888	\$ 224,095	\$ 647,020	\$ 1,471,003
LONG-TERM LIABILITIES				
Compensated Absences Payable	1,755	15,735	847	18,337
OPEB Liability	0	138,246	30,636	168,882
Capital Leases Payable	0	0	158,290	158,290
Bonds Payable - RDA	10,208,397	0	0	10,208,397
TOTAL LONG-TERM LIABILITIES	\$ 10,210,152	\$ 153,981	\$ 189,773	\$ 10,553,906
TOTAL LIABILITIES	\$ 10,810,040	\$ 378,076	\$ 836,793	\$ 12,024,909
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	18,715,699	1,956,587	634,992	21,307,278
Restricted for Debt Service	96,394	0	0	96,394
Unrestricted	562,897	1,490,192	(586,874)	1,466,215
TOTAL NET ASSETS	\$ 19,374,990	\$ 3,446,779	\$ 48,118	\$ 22,869,887

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 1,185,951	\$ 983,036	\$ 326,280	\$ 2,495,267
TOTAL OPERATING REVENUES	\$ 1,185,951	\$ 983,036	\$ 326,280	\$ 2,495,267
OPERATING EXPENSES				
Cost of Sales & Services	454,440	731,845	254,544	1,440,829
Personnel & Benefits	131,258	1,091,102	49,473	1,271,833
Administration	200,022	197,052	41,414	438,488
Depreciation	500,690	433,619	87,258	1,021,567
TOTAL OPERATING EXPENSES	\$ 1,286,410	\$ 2,453,618	\$ 432,689	\$ 4,172,717
OPERATING INCOME (LOSS)	\$ (100,459)	\$ (1,470,582)	\$ (106,409)	\$ (1,677,450)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	356	3,484	734	4,574
Interest Expense	(317,596)	0	(22,926)	(340,522)
RDA Grant	1,632,096	0	0	1,632,096
CDBG Block Grant	556,999	0	0	556,999
Government Subsidies	0	1,081,915	48,052	1,129,967
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 1,871,855	\$ 1,085,399	\$ 25,860	\$ 2,983,114
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 1,771,396	\$ (385,183)	\$ (80,549)	\$ 1,305,664
TRANSFERS				
Transfers In	0	206,417	500,000	706,417
TOTAL TRANSFERS	\$ 0	\$ 206,417	\$ 500,000	\$ 706,417

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
NET INCOME (LOSS)	\$ 1,771,396	\$ (178,766)	\$ 419,451	\$ 2,012,081
NET ASSETS, Beginning of Year, As Restated	<u>17,603,594</u>	<u>3,625,545</u>	<u>(371,333)</u>	<u>20,857,806</u>
NET ASSETS, End of Year	<u>\$ 19,374,990</u>	<u>\$ 3,446,779</u>	<u>\$ 48,118</u>	<u>\$ 22,869,887</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,155,991	\$ 937,561	\$ 308,332	\$ 2,401,884
Cash Payments to Suppliers for Goods and Services	(680,949)	(1,018,549)	(728,062)	(2,427,560)
Cash Payments to and for Employee's Benefit	(125,024)	(1,037,146)	(49,162)	(1,211,332)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 350,018	\$ (1,118,134)	\$ (468,892)	\$ (1,237,008)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	0	623,646	0	623,646
Payments Received from Other Funds	0	206,417	500,000	706,417
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 0	\$ 830,063	\$ 500,000	\$ 1,330,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants Received	2,039,596	462,367	0	2,501,963
Insurance Proceeds - Equipment Damage	0	0	-48,052	48,052
Property, Plant and Equipment Additions	(1,881,058)	(335,315)	(36,632)	(2,253,005)
Principal Payment Revenue Bonds	(84,308)	0	0	(84,308)
Principal Payment Bond Anticipation Note	(3,576,000)	0	0	(3,576,000)
Revenue Bond Proceeds	3,576,000	0	0	3,576,000
Principal Payment Capital Leases	0	0	(25,486)	(25,486)
Interest Paid	(419,784)	0	(22,926)	(442,710)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (345,554)	\$ 127,052	\$ (36,992)	\$ (255,494)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	0	(3,484)	0	(3,484)
Investment Proceeds	0	121,354	0	121,354
Interest Received	356	3,484	734	4,574
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 356	\$ 121,354	\$ 734	\$ 122,444

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
	NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 4,820	\$ (39,665)	\$ (5,150)
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 776,444	\$ 207,056	\$ 38,808	\$ 1,022,308
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 781,264</u>	<u>\$ 167,391</u>	<u>\$ 33,658</u>	<u>\$ 982,313</u>
Cash	684,870	167,391	33,658	885,919
Cash Restricted	<u>96,394</u>	<u>0</u>	<u>0</u>	<u>96,394</u>
TOTAL CASH AND CASH EQUIVALENTS, End of Year:	<u>\$ 781,264</u>	<u>\$ 167,391</u>	<u>\$ 33,658</u>	<u>\$ 982,313</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (100,459)	\$ (1,470,582)	\$ (106,409)	\$ (1,677,450)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	500,690	433,619	87,258	1,021,567
(Increase) Decrease in Accounts and Other Operating Receivables	(29,960)	(45,475)	(17,948)	(93,383)
(Increase) Decrease in Inventory	0	(11,227)	0	(11,227)
(Increase) Decrease in Prepaid Expenses	(93,907)	87,072	0	(6,835)
Increase (Decrease) in Due to General Fund	28,024	(37,189)	(392,958)	(402,123)
Increase (Decrease) in Accounts Payable	28,443	(128,308)	(39,146)	(139,011)
Increase (Decrease) in Salaries and Compensated Absences Payable	6,234	53,956	311	60,501
Increase (Decrease) in Customer Deposits	<u>10,953</u>	<u>0</u>	<u>0</u>	<u>10,953</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 350,018</u>	<u>\$ (1,118,134)</u>	<u>\$ (468,892)</u>	<u>\$ (1,237,008)</u>
NON CASH CAPITAL AND FINANCING ACTIVITIES				
State Vehicle Acquisition Plan	\$ 0	\$ 44,116	\$ 0	\$ 44,116
	<u>\$ 0</u>	<u>\$ 44,116</u>	<u>\$ 0</u>	<u>\$ 44,116</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 2,261,381	\$ 222,171	\$ 2,483,552
Note Receivable, Net of Allowance	<u>0</u>	<u>614,028</u>	<u>614,028</u>
TOTAL ASSETS	\$ 2,261,381	\$ 836,199	\$ 3,097,580
LIABILITIES			
Due to Other Taxing Units	1,551,440	0	1,551,440
Due to Estate & Trust Beneficiaries	186,190	0	186,190
Due to Others	70,991	0	70,991
Due to Bidders & Redeemers of Land Sales	265,409	0	265,409
Due to Fine Recipients and Bond Payors	107,617	0	107,617
Due to Support Recipients	9,878	0	9,878
Due to Seized Asset Recipient	<u>69,856</u>	<u>0</u>	<u>69,856</u>
TOTAL LIABILITIES	\$ 2,261,381	\$ 0	\$ 2,261,381
NET ASSETS			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 836,199</u>	<u>\$ 836,199</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>REVOLVING LOAN TRUST FUND</u>
ADDITIONS	
Program Income	\$ 33,954
Interest Income	<u>4,297</u>
TOTAL ADDITIONS	<u>\$ 38,251</u>
 DEDUCTIONS	
Economic Development Loans Bad Debt Expense	<u>182,000</u>
TOTAL DEDUCTIONS	<u>\$ 182,000</u>
 CHANGE IN NET ASSETS	 \$ (143,749)
NET ASSETS, Beginning of Year	<u>979,948</u>
NET ASSETS, End of Year	<u><u>\$ 836,199</u></u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The State of South Carolina established the County under the provisions of the South Carolina Home Rule Act. Williamsburg County operates under the Council - Supervisor form of government and provides the following services: general administrative services, public safety, courts, highways and streets, sanitation, health and human services, culture and recreation programs, public improvements and other miscellaneous services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. The County's combined financial statements include the accounts of all County Operations and those organizations that meet the criteria pursuant to Governmental Accounting Board Statement No. 14, "The Financial Reporting Entity."

- A. The organization is legally separate.
- B. The County holds the corporate powers of the organization.
- C. The County appoints a voting majority of the organization.
- D. The County is able to impose its will on the organization.
- E. The organization has the potential to impose a financial benefit or burden on the County.
- F. There is fiscal dependency by the organization on the County.

Based upon the aforementioned criteria, the County has included Williamsburg County Library as a discretely presented component unit. The discretely presented component unit is included since it is fiscally dependent upon the County for the annual appropriations, approval of annual operating budgets, and the authorization of general obligation debt issues. A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The discretely presented component unit has a June 30 year-end. Separate financial statements for this component unit may be obtained from the entity's management.

Discretely Presented Component Unit
Williamsburg County Library
215 North Jackson
Kingstree, SC 29556
Telephone (843) 355-9486

The South Carolina Legislature created the Williamsburg County Library System in 1967 as part of Williamsburg County Government. Its purpose is to provide library services to the citizens of Williamsburg County and bookmobile services to the rural areas of the County. The library operates under a nine member Board of Trustees that is appointed by the County Council. In addition to providing significant annual appropriations to finance the operations of the Library, County Council approves its budget and all general obligation debt.

Based upon the afore mentioned criteria, the County has included Williamsburg County Public Facilities Corporation as a blended component unit. Williamsburg County Public Facilities Corporation was incorporated as a nonprofit 501 (C)(3) organization for the purpose of assisting Williamsburg County with the acquisition or sale of real and/or personal property in connection with the design, construction, operation, financing and refinancing of public facilities to be used by Williamsburg County, South Carolina and such other projects located in or for benefit of the County. Because Williamsburg County Public Facilities Corporation exclusively benefits the County, the Facilities Corporation's financial information is blended with that of the County in these basic financial statements. Separate financial statements of the Facilities Corporation are not issued.

B. Government-Wide and Fund Financial Statements

The financial statement presentation for the County meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statement presentation provides a comprehensive, entity-wide perspective of the County's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated from the statement of activities. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The County reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the County. The general fund accounts for all financial resources except those that are required to be reported in another fund.

Rural Fire Fund: The rural fire fund is a special revenue fund which accounts for the rural fire district revenues and expenditures.

Federal and State Grant: The federal and state grant fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for the financial resources to be used for the acquisition, construction, and/or renovation of major capital facilities and purchase of equipment related to the projects associated with the Williamsburg County Public Facilities Corporation (blended component unit.)

Debt Service Fund: The debt service fund accounts for proceeds that are restricted for the purpose of debt payments.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major proprietary funds:

Water & Sewer (Enterprise Fund): The water & sewer fund is used to account for the cost of providing water & sewer services to unincorporated areas of the County.

Williamsburg County Transit System: The Williamsburg County Transit System fund is used to account for the cost of providing transportation services to the citizens of Williamsburg County.

E 911 Fund: The E911 fund is used to account for the cost of providing emergency services to the citizens of Williamsburg County.

Additionally, the County reports the following fund types:

Agency Fund: This fund is used to report resources held by the County in a custodial capacity as an agent on behalf of others and does not involve the measurement of results of operation.

Private-Purpose Trust Fund: This fund is used to account for resources legally held in trust for revolving loans. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services for water and sewer fees, the revenues received for operating the Williamsburg County Transit System, and the revenues received for operating the E-911 fund. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collateralized, and repurchase agreements secured by the foregoing obligations.

The County's cash investment objectives are preservation of capital, liquidity and yield. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," all investments are reported at their fair values. The County has no investments at this time reported at amortized cost.

The County has certain funds invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool Fund (the "Pool") pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

F. Receivables

All accounts and property tax receivables are shown at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. This amount is determined by analyzing the percentage of receivables that was not collected in prior years.

Property taxes for real property and personal property except motor vehicles are due without penalties by January 15th of each fiscal year. Uncollected taxes and penalties are considered delinquent on March 15th. Property taxes for motor vehicles are due in the month in which the state motor vehicle license will be renewable. Property tax revenues are recognized in accordance with imposed nonexchange transactions in accordance with GASB No. 33.

G. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount of inventories on hand at year end for the governmental fund types consist of gasoline and diesel fuel. Inventories are valued at cost using the average cost method.

H. Restricted Assets

Certain assets of landfill revenue, debt service, and enterprise funds are classified as restricted on the balance sheet because their use is limited to specific purposes for which the funds were received.

I. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Construction in progress represents funds expended for construction of capital assets which have not been placed into service yet.

Property, plant, and equipment of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Land Improvements	15-20
Buildings	30-40
Building Improvements	15-40
Leasehold Improvements	15-20
Furniture & Fixtures	3-15
Machinery & Equipment	5-15
Vehicles	3-10
Communication Equipment	15
Infrastructure	20

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Revenues

Deferred revenues arise when a potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium, discount, and deferred refunding costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Nonexchange Transactions

The standards established by GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

Assets from Derived Tax Revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from Imposed Nonexchange Revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from Government-Mandated and Voluntary Nonexchange Transactions are generally recognized when all eligibility requirements have been met.

Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

1. The recipient has the characteristics specified by the provider.
2. Time requirements specified by the provider have been met.
3. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
4. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

N. Net Assets/Fund Balances

The County's net assets in the government-wide financial statements and proprietary fund financial statements are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the County's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Assets: Restricted expendable net assets include resources in which the County is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Unrestricted Net Assets: Unrestricted net assets represent resources derived from ad valorem taxes, earnings on investments, state/local grants, fees, and shared revenues.

In the governmental fund financial statements, equity is classified as fund balance. The County has implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Consists of amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - Consists of amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance - Consists of amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - Consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance - Consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by the County Council through adoption or amendment of the budget as intended for a specific purpose. When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. The County does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2012, the County's bank balance was \$10,122,627 with a carrying value of \$9,703,696. Of the bank balance of \$10,122,627, the amount that was exposed to custodial credit risk was \$2,275,007 which was uninsured and uncollateralized which violates state law.

INVESTMENTS

As of June 30, 2012, the County had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity (In Years)
SC Local Government Investment Pool	Unrated	\$ 930,426	<1
Wells Fargo Money Market	Unrated	16,298,415	<1
Build America Bonds, Series A	AA	1,099,090	>10
		<u>\$ 18,327,931</u>	

^ Investments in a 2a-7 like fund are not required to disclose interest rate risk. The County invests monies in separate accounts with the State Local Government Investment Pool. Thus, we have characterized this investment as a 2a-7 like fund.

Interest Rate Risk: The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. However, the primarily uses the South Carolina Local Government Investment Pool for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The County does not have an investment policy regarding credit risk.

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk: The County places no limit on the amount the School District may invest in one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

Reconciliation of Cash and Investments to Fund Financial Statements:

Cash and Investments		
Cash and Investments	\$	7,994,984
Restricted Cash and Investments		<u>20,041,672</u>
Total Cash and Investments	\$	<u>28,036,656</u>
Petty Cash	\$	5,029
Deposits Carrying Value		9,703,696
Investments		<u>18,327,931</u>
Total Cash and Investments	\$	<u>28,036,656</u>

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$73,491, which were insured by the Federal Depositors Insurance Corporation.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2012 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,471,626	\$ 0	\$ 1,471,626
Accounts Receivable, Net	0	181,318	181,318
Due From Others	159,430	0	159,430
Due From State Government	564,347	0	564,347
Court Fines Receivable, Net	111,050	0	111,050
Other Receivables	<u>1,260,255</u>	<u>399,653</u>	<u>1,659,908</u>
 Total Receivables	 \$ <u>3,566,708</u>	 \$ <u>590,971</u>	 \$ <u>4,157,679</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$451,048. Court fines receivable are reported net of an allowance for uncollectible fines of \$27,763 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$1,435,591. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$8,048. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$116,450.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 3 - RECEIVABLES (CONTINUED)

Property taxes receivable that do not meet the availability requirement have been recorded as deferred revenue in the fund financial statements.

NOTE 4 - RESTRICTED ASSETS

The County has recorded restricted cash and investments in the governmental funds and the business-type activities as follows:

Governmental Activities

Special Fees:

Landfill Closure Post Closure \$ 1,510,723

Debt Service Funds:

Restricted for Debt Service 3,239,237

Lease Purchase Proceeds Restricted for Capital Purchases 57,825

Capital Projects Fund - IPRBF:

Restricted for Capital Improvements 15,137,493

Total Restricted Governmental Activities \$ 19,945,278

Business-Type Activities

Water and Sewer Fund:

Restricted for Debt Service Reserve Requirements \$ 96,394

Total Restricted Business-Type Activities \$ 96,394

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated				
Land	\$ 1,829,225	\$ 0	\$ 0	\$ 1,829,225
Construction in Progress	<u>2,590,618</u>	<u>5,428,670</u>	<u>2,378,942</u>	<u>5,640,346</u>
Total, not being Depreciated	<u>\$ 4,419,843</u>	<u>\$ 5,428,670</u>	<u>\$ 2,378,942</u>	<u>\$ 7,469,571</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 5,591,473	\$ 1,360,152	\$ 0	\$ 6,951,625
Road and Bridges	5,460,399	0	0	5,460,399
Buildings	7,806,951	6,044,006	0	13,850,957
Building Improvements	4,841,592	0	0	4,841,592
Leasehold Improvements	541,877	0	0	541,877
Furniture & Fixtures	1,677,699	63,695	0	1,741,394
Machinery & Equipment	3,888,177	169,613	37,541	4,020,249
Automotive Equipment	10,351,250	909,092	0	11,260,342
Communication Equipment	<u>285,025</u>	<u>0</u>	<u>0</u>	<u>285,025</u>
Total, being Depreciated	<u>\$ 40,444,443</u>	<u>\$ 8,546,558</u>	<u>\$ 37,541</u>	<u>\$ 48,953,460</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (2,678,371)	\$ (268,166)	\$ 0	\$ (2,946,537)
Road and Bridges	(2,272,270)	(363,591)	0	(2,635,861)
Buildings	(2,831,688)	(261,642)	0	(3,093,330)
Building Improvements	(2,806,096)	(134,062)	0	(2,940,158)
Leasehold Improvements	(287,400)	(26,600)	0	(314,000)
Furniture & Fixtures	(939,273)	(75,311)	0	(1,014,584)
Machinery & Equipment	(1,697,042)	(314,128)	5,177	(2,005,993)
Automotive Equipment	(6,740,243)	(816,310)	0	(7,556,553)
Communication Equipment	<u>(100,118)</u>	<u>(18,479)</u>	<u>0</u>	<u>(118,597)</u>
Total Accumulated Depreciation	<u>\$ (20,352,501)</u>	<u>\$ (2,278,289)</u>	<u>\$ 5,177</u>	<u>\$ (22,625,613)</u>
Total, being Depreciated, Net	<u>\$ 20,091,942</u>	<u>\$ 6,268,269</u>	<u>\$ 32,364</u>	<u>\$ 26,327,847</u>
Total Governmental Activities, Net	<u>\$ 24,511,785</u>	<u>\$ 11,696,939</u>	<u>\$ 2,411,306</u>	<u>\$ 33,797,418</u>

Capital Asset additions in the governmental funds totaled \$11,596,286, and the current year depreciation expense totaled \$2,278,289. Assets totaling \$37,541 with a net book value of \$32,364 were disposed of during the year resulting in a loss of \$32,364 on disposal of capital assets.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	14,525,894	249,714	14,400,395	375,213
Total, not being Depreciated	<u>\$ 14,673,894</u>	<u>\$ 249,714</u>	<u>\$ 14,400,395</u>	<u>\$ 523,213</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	194,731	0	0	194,731
Building Improvements	87,470	0	0	87,470
Water Distribution System	16,534,097	15,693,558	0	32,227,655
Furniture & Fixtures	29,714	0	0	29,714
Machinery & Equipment	495,470	87,072	0	582,542
Automotive Equipment	4,475,303	248,243	320,627	4,402,919
Communication Equipment	829,138	36,632	0	865,770
Total, being Depreciated	<u>\$ 22,659,367</u>	<u>\$ 16,063,505</u>	<u>\$ 320,627</u>	<u>\$ 38,404,245</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(172,787)	(5,758)	0	(178,545)
Building Improvements	(49,490)	(4,647)	0	(54,137)
Water Distribution System	(3,247,128)	(493,927)	0	(3,741,055)
Furniture & Fixtures	(19,809)	(1,981)	0	(21,790)
Machinery & Equipment	(350,062)	(48,777)	0	(398,839)
Automotive Equipment	(2,406,770)	(409,370)	320,627	(2,495,513)
Communication Equipment	(108,667)	(57,107)	0	(165,774)
Total Accumulated Depreciation	<u>\$ (6,368,157)</u>	<u>\$ (1,021,567)</u>	<u>\$ 320,627</u>	<u>\$ (7,069,097)</u>
Total, being Depreciated, Net	<u>\$ 16,291,210</u>	<u>\$ 15,043,938</u>	<u>\$ 0</u>	<u>\$ 31,335,148</u>
Total Business-Type Activities, Net	<u>\$ 30,965,104</u>	<u>\$ 15,293,652</u>	<u>\$ 14,400,395</u>	<u>\$ 31,858,361</u>

The capital asset additions of business-type activities totaled \$1,914,824 and depreciation expense in business-type activities totaled \$1,021,567. Assets totaling \$320,627 were disposed of during the year that had accumulated depreciation of \$320,627.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in Progress in the Governmental-Type Activities totaling \$5,640,346 at June 30, 2012 represents funds expended on the following capital projects:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
County Complex Renovations	\$ 95,000	\$ 25,000	June 2013
Court House Renovations	1,285,805	2,808,458	April 2013
Sheriff/Detention Center	2,070,533	7,028,106	December 2013
E911/Evacuation Center	1,940,823	3,113,398	February 2013
Animal Shelter	248,185	23,370	October 2013
PSA Building	In Service	44,024	

Construction in Progress in the Business-Type Activities totaling \$375,213 at June 30, 2012 represents funds expended on the following water and sewer improvements:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
St. Lawrence/Blakely/Trio	\$ 36,973	\$ 4,806,000	To Be Determined
Millwood/Bloomingvale	152,088	15,763,217	To Be Determined
Kingstree East Phase I	177,239	961,647	December 2012
Mouzon	8,913	To Be Determined	To Be Determined

The County has been awarded grant funds from Rural Development Administration in the amounts of \$9,497,000 for the Millwood/Bloomingvale project and \$1,351,000 for the St. Lawrence/Blakely/Trio project. The County has been approved for the loan funds from Rural Development Administration in the amounts of \$9,528,000 for the Millwood/Bloomingvale project and \$3,455,000 for the St. Lawrence/Blakely/Trio project.

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$ 167,051
Public Safety	752,672
Public Works	641,953
Health and Human Services	164,759
Economic Development	219,938
Environmental Services - Landfill	196,877
Cultural and Recreation	<u>135,039</u>
Total Depreciation Expense - Governmental Activities	\$ <u>2,278,289</u>

Business-Type Activities:

Water & Sewer Fund	\$ 500,690
Williamsburg County Transit System	433,619
E 911 Fund	<u>87,258</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>1,021,567</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Vehicles	\$ 131,600	\$ 0	\$ 0	\$ 131,600
Computer Equipment	187,751	0	0	187,751
Furniture & Fixtures	189,436	0	0	189,436
Total capital assets being depreciated	\$ 508,787	\$ 0	\$ 0	\$ 508,787
Less: Accumulated Depreciation	<u>(441,811)</u>	<u>(14,579)</u>	<u>0</u>	<u>(456,390)</u>
Net capital assets being depreciated	\$ <u>66,976</u>	\$ <u>(14,579)</u>	\$ <u>0</u>	\$ <u>52,397</u>

Depreciation Expense was charged to the component unit as follows:

Cultural & Recreation	\$ <u>14,579</u>
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Total assets purchased under capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset Cost	\$ 5,972,178	\$ 657,949
Less: Accumulated Depreciation	<u>(2,666,566)</u>	<u>(65,795)</u>
Totals	\$ <u>3,305,612</u>	\$ <u>592,154</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2012, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,195,744	\$ 0
Rural Fire Fund	18,195	0
Federal and State Grant Fund	0	332,729
Capital Projects Fund	0	35,469
Other Governmental Funds	0	644,004
Debt Service Fund	0	1,549,552
Williamsburg County Transit System Fund	0	7,032
E911 Fund	0	615,711
Water & Sewer	0	29,442
Totals	\$ <u>3,213,939</u>	\$ <u>3,213,939</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 7 - CAPITAL LEASES

The County's governmental activities have seven (7) lease purchase agreements and its business-type activities have one (1) lease purchase agreement. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, are as follows:

	Governmental Activities	Business-Type Activities	Total
2013	\$ 1,051,039	\$ 48,900	\$ 1,099,939
2014	803,007	48,900	851,907
2015	1,670,898	48,900	1,719,798
2016	7,178	48,900	56,078
2017	0	48,900	48,900
2018	0	4,077	4,077
Total Minimum Lease Payments	\$ 3,532,122	\$ 248,577	\$ 3,780,699
Less: Amount Representing Interest	(225,273)	(61,667)	(286,940)
Totals	<u>\$ 3,306,849</u>	<u>\$ 186,910</u>	<u>\$ 3,493,759</u>

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2012:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 5,988,333	\$ 0	\$ (591,666)	\$ 5,396,667	\$ 616,667
Plus Unamortized Premium	91,748	0	(6,803)	84,945	0
IPRB Facilities Corp	30,000,000	0	0	30,000,000	0
Less Unamortized Discount	(397,312)	0	13,583	(383,729)	0
Bond Anticipation Notes	1,160,000	0	(250,000)	910,000	910,000
Total Bonds Payable	\$ 36,842,769	\$ 0	\$ (834,886)	\$ 36,007,883	\$ 1,526,667
Landfill Closure Cost	6,876,620	83,685	(1,164,799)	5,795,506	250,000
Capital Leases	3,714,401	748,106	(1,155,658)	3,306,849	948,521
Claims and Judgments	458,100	51,618	(48,700)	461,018	0
Compensated Absences	604,734	630,856	(604,734)	630,856	315,428
Totals	<u>\$ 48,496,624</u>	<u>\$ 1,514,265</u>	<u>\$ (3,808,777)</u>	<u>\$ 46,202,112</u>	<u>\$ 3,040,616</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 6,811,535	\$ 3,576,000	\$ (84,308)	\$ 10,303,227	\$ 94,830
Bond Anticipation Notes	<u>3,576,000</u>	<u>0</u>	<u>(3,576,000)</u>	<u>0</u>	<u>0</u>
Total Bonds Payable	\$ 10,387,535	\$ 3,576,000	\$ (3,660,308)	\$ 10,303,227	\$ 94,830
Capital Leases	212,396	0	(25,486)	186,910	28,620
Vehicle Acquisition Plan	44,116	60,946	(44,116)	60,946	60,946
Claims and Judgments	153,700	15,182	0	168,882	0
Compensated Absences	<u>40,661</u>	<u>36,676</u>	<u>(40,661)</u>	<u>36,676</u>	<u>18,338</u>
Totals	<u>\$ 10,838,408</u>	<u>\$ 3,688,804</u>	<u>\$ (3,770,571)</u>	<u>\$ 10,756,641</u>	<u>\$ 202,734</u>

Component Unit:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Williamsburg County Library					
Compensated Absences	\$ 11,443	\$ 15,454	\$ (11,443)	\$ 15,454	\$ 15,454
Totals	<u>\$ 11,443</u>	<u>\$ 15,454</u>	<u>\$ (11,443)</u>	<u>\$ 15,454</u>	<u>\$ 15,454</u>

Payments on bonds and capital leases that pertain to the governmental activities will be made by the debt service fund. Payments made for landfill closure cost will be made from the landfill fund. The compensated absences liability attributed to the governmental activities will be liquidated by the general fund and will be charged to the other funds based on management's assessment of the appropriate cost objective.

Claims and judgement liabilities will generally be liquidated through the County's general fund. That fund will finance the payment of those claims and judgements by charging the other funds based on management's assessment of the appropriate cost objective.

The current actuarial valuation has determined that the Library has no employees that meet the requirements and therefore, the liability has been removed. No future Library employer will be eligible for benefits.

On September 1, 2004, Williamsburg County issued General Obligation Bonds of \$3,275,000 which include a current refunding of the Rural Fire Bonds of 1990, General Obligation Bonds of 1990, General Obligation Bonds of 1994, and General Obligation Bonds of 1996. The bonds were refunded at book value. The bonds are not considered as part of the County's legal debt limit as the Rural Fire Bonds are part of the Rural Fire District.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for obligations outstanding at June 30, 2012 are as follows:

General Obligation Bonds of 2004 (Issued 9/1/04)
Maturity Date September 1, 2020

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2013	3.00%	\$ 1,990,000	\$ 160,000	\$ 39,074	\$ 39,074	\$ 238,148
2014	3.00%	1,830,000	235,000	36,272	36,273	307,545
2015	3.25%	1,595,000	245,000	32,043	32,042	309,085
2016	3.25%	1,350,000	255,000	27,142	27,143	309,285
2017	3.50%	1,095,000	265,000	22,042	22,043	309,085
2018-2020	4.00%-4.10%	830,000	830,000	33,826	33,826	897,652
Totals			<u>\$ 1,990,000</u>	<u>\$ 190,399</u>	<u>\$ 190,401</u>	<u>\$ 2,370,800</u>

General Obligation Bonds of 1998 (Issued 06/01/98)
Maturity Date June 1, 2013

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Total Annual Payments
2013	5.50%	\$ 66,667	\$ 66,667	\$ 3,703	\$ 70,370
Totals			<u>\$ 66,667</u>	<u>\$ 3,703</u>	<u>\$ 70,370</u>

General Obligation Bonds of 1999 (Issued 07/18/99)
Maturity Date July 18, 2014

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Interest June 1	Total Annual Payments
2013	4.400%	\$ 470,000	\$ 230,000	\$ 10,575	\$ 10,575	\$ 251,150
2014	4.400%	240,000	240,000	5,400	5,400	250,800
Totals			<u>\$ 470,000</u>	<u>\$ 15,975</u>	<u>\$ 15,975</u>	<u>\$ 501,950</u>

Bond Anticipation Loans (Issued 06/01/12)
Maturity Date May 31, 2013

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest May 31	Total Annual Payments
2013	1.21%	\$ 910,000	\$ 910,000	\$ 11,011	\$ 921,011
Totals			<u>\$ 910,000</u>	<u>\$ 11,011</u>	<u>\$ 921,011</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On July 29, 2010, Williamsburg County issued general obligation bonds of \$3,185,000 which included a current refunding of the General Obligation of 2009 Rural Fire Bonds. The bonds were refunded at book value. The bonds are not considered to be part of the County's legal debt limit as the Rural Fire Bonds are part of the Rural Fire District.

General Obligation Refunding and Improvement Bonds of 2010 (Issued 07/29/10)
Maturity April 1, 2026

Fiscal Year Ending	Interest Rate	Balance	Principal April 1	Interest October 1	Interest April 1	Total Annual Payments
2013	2.00%	\$ 2,870,000	\$ 160,000	\$ 50,206	\$ 50,206	\$ 260,412
2014	2.00%	2,710,000	75,000	48,607	48,607	172,213
2015	2.00%	2,635,000	75,000	47,856	47,856	170,712
2016	2.00%	2,560,000	50,000	47,106	47,107	144,213
2017	2.00%	2,510,000	50,000	46,607	46,606	143,213
2018-2022	2.00%-3.00%	2,460,000	890,000	218,400	218,400	1,326,800
2023-2026	3.00%-4.00%	1,570,000	1,570,000	80,000	80,000	1,730,000
Totals			\$ 2,870,000	\$ 538,781	\$ 538,782	\$ 3,947,563

On July 29, 2010, Williamsburg County Public Facilities Corporation (blended component unit) issued Installment Purchase Revenue Bonds Series 2010 in the amount of \$30,000,000. The Williamsburg County Public Facilities Revenue Bonds are not a debt of the County, however, as the corporation is blended with the operations of the County, the debt of the corporation is included with the County's other obligations as required by generally accepted accounting principles. The bonds were issued to fund various capital projects including a Public Service Administration Building and Court House renovation. Annual debt service requirements to maturity for the installment purchase revenue bonds outstanding at June 30, 2012 are as follows:

Installment Purchase Revenue Bonds of 2010 (Issued 07/29/10)
Maturity December 1, 2040

Fiscal Year Ending	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
2013	3.60%	\$ 30,000,000	\$ 0	\$ 966,654	\$ 966,654	\$ 1,933,308
2014	3.60%	30,000,000	0	966,653	966,654	1,933,307
2015	3.95%	30,000,000	140,000	966,653	964,132	2,070,785
2016	4.48%	29,860,000	375,000	964,132	956,720	2,295,852
2017	4.83%	29,485,000	465,000	956,720	946,301	2,368,021
2018-2022	5.14%-5.79%	29,020,000	3,050,000	4,589,612	4,508,911	12,148,523
2023-2027	6.52%-6.53%	25,970,000	4,415,000	4,070,433	3,929,198	12,414,631
2028-2032	6.52%-6.78%	21,555,000	6,110,000	3,247,557	3,046,469	12,404,026
2033-2037	6.77%	15,445,000	7,840,000	2,108,015	1,842,395	11,790,410
2038-2041	6.77%	7,605,000	7,605,000	657,949	400,292	8,663,241
Totals			\$ 30,000,000	\$ 19,494,378	\$ 18,527,726	\$ 68,022,104

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The legal debt limit for the County is eight per centum of the assessed valuation of the taxable property in the County. Based on the 2011 assessed valuation of \$89,570,074 the legal debt limit is approximately \$7,165,600. At June 30, 2012, the County has general obligation bonds outstanding of \$1,380,000 subject to the legal debt limit.

Revenue Bonds of 2002 (Issued 05/17/02)
Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	4.50%	\$ 434,066	\$ 6,975	\$ 19,485	\$ 26,460
2014	4.50%	427,091	7,297	19,163	26,460
2015	4.50%	419,794	7,634	18,826	26,460
2016	4.50%	412,160	7,987	18,473	26,460
2017	4.50%	404,173	8,356	18,104	26,460
2018-2022	4.50%	395,817	47,933	84,367	132,300
2023-2027	4.50%	347,884	60,068	72,232	132,300
2028-2032	4.50%	287,816	75,274	57,026	132,300
2033-2037	4.50%	212,542	94,331	37,969	132,300
2038-2042	4.50%	118,211	118,211	14,089	132,300
Totals			\$ 434,066	\$ 359,734	\$ 793,800

Revenue Bonds of 2002 (Issued 05/17/02)
Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	4.50%	\$ 33,091	\$ 550	\$ 1,478	\$ 2,028
2014	4.50%	32,541	575	1,453	2,028
2015	4.50%	31,966	602	1,426	2,028
2016	4.50%	31,364	630	1,398	2,028
2017	4.50%	30,734	658	1,370	2,028
2018-2022	4.50%	30,076	3,774	6,366	10,140
2023-2027	4.50%	26,302	4,725	5,415	10,140
2028-2032	4.50%	21,577	5,916	4,224	10,140
2033-2037	4.50%	15,661	7,405	2,735	10,140
2038-2042	4.50%	8,256	8,256	871	9,127
Totals			\$ 33,091	\$ 26,736	\$ 59,827

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Revenue Bonds of 2009 (Issued 12/10/08)
Maturity October 17, 2049

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	4.375%	\$ 2,044,566	\$ 22,490	\$ 89,002	\$ 111,492
2014	4.375%	2,022,076	23,494	87,998	111,492
2015	4.375%	1,998,582	24,542	86,950	111,492
2016	4.375%	1,974,040	25,638	85,854	111,492
2017	4.375%	1,948,402	26,782	84,710	111,492
2018-2022	4.375%	1,921,620	152,948	404,512	557,460
2023-2027	4.375%	1,768,672	190,271	367,189	557,460
2028-2032	4.375%	1,578,401	236,702	320,758	557,460
2033-2037	4.375%	1,341,699	294,466	262,994	557,460
2038-2042	4.375%	1,047,233	366,322	191,138	557,460
2043-2047	4.375%	680,911	455,714	101,746	557,460
2048-2050	4.375%	225,197	225,197	11,009	236,206
Totals			<u>\$ 2,044,566</u>	<u>\$ 2,093,860</u>	<u>\$ 4,138,426</u>

The 2010A Waterworks System and 2010B Waterworks System Revenue Bond Anticipation Notes were refinanced by Rural Development Bonds during the year. The payments are as follows:

Waterworks System Revenue Bonds Lane Sewer System (Issued 10/14/10)
Maturity October 14, 2050

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	2.25%	\$ 674,370	\$ 11,821	\$ 14,615	\$ 26,436
2014	2.25%	662,549	12,082	14,354	26,436
2015	2.25%	650,467	12,348	14,088	26,436
2016	2.25%	638,119	12,621	13,815	26,436
2017	2.25%	625,498	12,899	13,537	26,436
2018-2022	2.25%	612,599	68,894	63,286	132,180
2023-2027	2.25%	543,705	76,838	55,341	132,179
2028-2032	2.25%	466,867	85,699	46,480	132,179
2033-2037	2.25%	381,168	95,582	36,598	132,180
2038-2042	2.25%	285,586	106,603	25,577	132,180
2043-2047	2.25%	178,983	118,897	13,283	132,180
2048-2051	2.25%	60,086	60,086	1,600	61,686
Totals			<u>\$ 674,370</u>	<u>\$ 312,574</u>	<u>\$ 986,944</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Waterworks System Revenue Bonds Kingtree East Improvements (Issued 10/14/10)

Maturity October 14, 2050

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	3.00%	\$ 3,541,134	\$ 52,994	\$ 103,258	\$ 156,252
2014	3.00%	3,488,140	54,571	101,681	156,252
2015	3.00%	3,433,569	56,195	100,057	156,252
2016	3.00%	3,377,374	57,868	98,384	156,252
2017	3.00%	3,319,506	59,589	96,662	156,251
2018-2022	3.00%	3,259,917	325,626	455,633	781,259
2023-2027	3.00%	2,934,291	377,048	404,212	781,260
2028-2032	3.00%	2,557,243	436,588	344,671	781,259
2033-2037	3.00%	2,120,655	505,530	275,730	781,260
2038-2042	3.00%	1,615,125	585,363	195,897	781,260
2043-2047	3.00%	1,029,762	677,798	103,462	781,260
2048-2051	3.00%	351,964	351,964	12,627	364,591
Totals			<u>\$ 3,541,134</u>	<u>\$ 2,292,274</u>	<u>\$ 5,833,408</u>

Waterworks System Revenue Bonds Kingtree East Phase II Improvements (Issued 12/02/11)

Maturity December 2, 2051

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2013	2.75%	\$ 3,576,000	0	\$ 80,460	\$ 80,460
2014	2.75%	3,576,000	26,843	129,577	156,420
2015	2.75%	3,549,157	54,808	97,112	151,920
2016	2.75%	3,494,349	56,337	95,583	151,920
2017	2.75%	3,438,012	57,909	94,011	151,920
2018-2022	2.75%	3,380,103	314,708	444,892	759,600
2023-2027	2.75%	3,065,395	361,142	398,458	759,600
2028-2032	2.75%	2,704,253	414,425	345,175	759,600
2033-2037	2.75%	2,289,828	475,572	284,028	759,600
2038-2042	2.75%	1,814,256	545,745	213,865	759,610
2043-2047	2.75%	1,268,511	626,254	133,346	759,600
2048-2052	2.75%	642,257	642,257	41,373	683,630
Totals			<u>\$ 3,576,000</u>	<u>\$ 2,357,880</u>	<u>\$ 5,933,880</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize bond anticipation notes, general obligation and revenue bonds, vehicle acquisition plan payments, and capital leases, as of June 30, 2012 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 2,475,188	\$ 2,250,250	\$ 4,725,438	\$ 224,396	\$ 328,578	\$ 552,974
2014	1,280,809	2,186,063	3,466,872	157,000	370,988	527,988
2015	2,080,928	2,140,553	4,221,481	192,218	331,270	523,488
2016	686,591	2,069,937	2,756,528	201,607	321,881	523,488
2017	780,000	2,040,319	2,820,319	211,701	311,786	523,487
2018-2022	4,770,000	9,602,975	14,372,975	917,912	1,459,102	2,377,014
2023-2027	5,985,000	8,159,631	14,144,631	1,070,092	1,302,847	2,372,939
2028-2032	6,110,000	6,294,026	12,404,026	1,254,604	1,118,334	2,372,938
2033-2037	7,840,000	3,950,410	11,790,410	1,472,886	900,054	2,372,940
2038-2042	7,605,000	1,058,241	8,663,241	1,730,500	641,437	2,371,937
2043-2047	0	0	0	1,838,663	351,837	2,190,500
2048-2052	0	0	0	1,279,504	66,609	1,346,113
Totals	\$ <u>39,613,516</u>	\$ <u>39,752,405</u>	\$ <u>79,365,921</u>	\$ <u>10,551,083</u>	\$ <u>7,504,723</u>	\$ <u>18,055,806</u>

NOTE 9 - OPERATING LEASES

The County was engaged in a 2-year noncancelable operating lease of an office building used for social services, which expired in November 2007 at a monthly lease payment of \$13,500. Rental expense associated with the lease for the year ended June 30, 2012 is \$162,000 and is reflected by the County as current-general government expenditures. The County is currently continuing to rent the office building used for social services in the amount of \$13,500 per month on a month-by-month basis.

NOTE 10 - CONTINGENCIES

Grants: Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to the general fund or other applicable funds.

Litigation: As of June 30, 2012, actions have been alleged against the County in which it has denied liability. Any liability would be covered by the Insurance Reserve Fund up to the policy limit. The outcome or the amount of recovery, if any, cannot be predicted with certainty. Accordingly, no liability has been recorded.

Unemployment Compensation: The County makes payments to the South Carolina Employment Security Commission on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at June 30, 2012 are not determinable.

Other Commitments: County Council approved a loan of \$182,000 from the SBA revolving loan fund to South Carolina Shrimp Biotech, Inc. which was issued at November 19, 2008 at the Wall Street prime rate interest only for nine months and monthly payments of \$3,188.73 to begin on September 7, 2009. County Council has not received payments on this since 2009 and has increased its allowance for bad debt to \$182,000 as it is doubtful that this receivable will be paid. County Council has approved a loan of \$520,650 from the revolving loan fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2012. County Council approved a loan to Hemingway apparel in the amount of \$25,000 with a maturity date of December 31, 2012. County Council has approved a loan to Wastezero in the amount of \$87,083.40 on August 1, 2011 of which payments of \$2,004.46 began in August of 2011. The outstanding balance at June 30, 2012 on all note receivables was \$796,028 and an allowance for uncollectible receivables of \$182,000 leaving a net note receivable balance of \$614,027.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 11 - INTERFUND TRANSFER RECONCILIATION

Transfers are used to move certain revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers between the County's various funds are generally made to fund Council approved projects. A schedule of transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 552,953	\$ 860,966
Rural Fire Fund	35,814	0
Debt Service Fund	1,933,307	588,767
Federal and State Grant Fund	38,890	0
Capital Projects Fund	0	1,933,307
Other Governmental Funds	115,659	0
Williamsburg County Transit Enterprise Fund	206,417	0
E911 Fund	500,000	0
Totals	<u>\$ 3,383,040</u>	<u>\$ 3,383,040</u>

NOTE 12 - DEFERRED COMPENSATION PLAN

Williamsburg County offers its employees two deferred compensation plans complying with IRC 457 and IRC 401(k). These plans are available to all County employees through the South Carolina State Treasurer's Office. The plans offer a variety of investment choices to the participant. The deferred compensation cannot be withdrawn by the participant until separation of employment, retirement, death, disability or an approved hardship.

In 1996, Congress passed new legislation to govern IRC Section 457 plans. Specifically, the new legislation concludes that a plan shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. During the year ended June 30, 1999, the South Carolina Deferred Compensation Commission modified their plan to comply with the new legislative requirements.

Governmental Accounting Standards Board's Statement No. 32 was issued to address the financial reporting ramifications of the new federal legislation and states that a fiduciary relationship must exist for a governmental entity to report the balances and transactions related to the plan in its financial statements. According to the provisions of the statement, it was determined that a fiduciary relationship did not exist for the County's IRC Section 457 plan, and likewise, its balance has not been recorded in the County's financial statements.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

Williamsburg County contributes to the South Carolina Retirement System (SCRS) and to the Police Officers Retirement System (PORS). Title 9-1-480 Code of Laws of South Carolina, 1976 (as amended), states that all eligible persons, except those specifically excluded, shall become members of SCRS or PORS as a condition of their employment. The responsibility for administration of the system is assigned by law to the State Budget & Control Board.

SCRS and PORS are both maintained as a cost-sharing multiple-employer Public Employees Retirement System (PERS).

Generally all full-time employees who are responsible for the preservation of the public order are members of the PORS; the remaining County employees are members of the SCRS.

South Carolina Retirement System (SCRS): Covered general County employees participate in the SCRS, a cost-sharing, multiple-employer, defined benefit pension plan. The SCRS provides retirement and disability benefits, with cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. Member employees currently contribute 6.50% of their annual compensation. The employer contribution is 9.535% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .15%.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Employees attaining the age of 65 or having 28 years of credited service are entitled to 1.82% of average final compensation. Other available benefits include group life insurance coverage after one year's membership, (immediate coverage if death is job related), disability coverage after five years' membership (immediate coverage if job related), vesting rights after five years' membership (with survivor allowance after 15 years creditable service or age 65). Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

The benefits at retirement are determined by the following formula: 1.82% of an employee's average final compensation multiplied by the number of years of credited service.

Police Officers Retirement System (PORS): Covered County employees (i.e. whose principal duties are the preservation of public order) are required to participate in the PORS, a cost-sharing, multiple-employer, defined benefit pension plan. The PORS provides both retirement and death benefits on an employee and employer contribution basis. Member employees currently contribute 6.5% of their annual compensation. The employer contribution is 11.763% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .20% and the entire cost of accidental death for covered employees at the rate of .20%. As a member of the PORS an employee can elect to retire after reaching age 55 with at least five years of credited service, or 25 years of service credit regardless of age. Another option available is when an employee has completed five years of credited service prior to age 55, they can retire yet defer their retirement allowance until they reach age 55. Other benefits include disability coverage after five years membership (immediate coverage if job related), group life insurance coverage after one year of credited service (immediate coverage if job related), accidental death program allowing a monthly pension equal to 50% of the member's budgeted compensation at the time of death, and vesting rights after five years membership. Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

The benefits at retirement are determined by the following formula: 2.14% of an employee's average final compensation multiplied by the number of years of credited service.

For fiscal year ended June 30, 2012:

Primary Government

	Payroll Covered	Contributions		
		Employee	Employer	Total
SCRS	\$ 6,681,295	\$ 434,284	\$ 637,061	\$ 1,071,345
PORS	2,911,876	189,272	342,524	531,796
Totals	<u>\$ 9,593,171</u>	<u>\$ 623,556</u>	<u>\$ 979,585</u>	<u>\$ 1,603,141</u>

Component
Unit

	Payroll Covered	Contributions		
		Employee	Employer	Total
SCRS	\$ 198,141	\$ 12,879	\$ 18,893	\$ 31,472
Totals	<u>\$ 198,141</u>	<u>\$ 12,879</u>	<u>\$ 18,893</u>	<u>\$ 31,472</u>

Funding Policy: Both employers and employees are required to contribute to the plans under authority of Title 9 of the South Carolina Code of Laws. Employee required contributions to the plans are as follows:

SCRS	6.50% of Salary
PORS	6.50% of Salary

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Employers are required to contribute at the following actuarially determined rates:

SCRS Local Government	9.385%
PORS Local Government	11.363%

In addition to the above rates participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants.

Participating employers under the Police Officer Retirement System also contribute .2% of payroll to provide a group life insurance benefit and .2% of payroll to provide an accidental death benefit for their participants. All employers contribute at the actuarially required contribution rates.

Three Year Trend Information:

Primary Government Fiscal Year Ended	SCRS Annual Employer Contribution	PORS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/12	\$637,061	\$342,524	100%
06/30/11	\$625,676	\$308,575	100%
06/30/10	\$639,979	\$288,466	100%

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/12	\$18,961	100%
06/30/11	\$19,038	100%
06/30/10	\$17,932	100%

All contributions were equal to the required contributions for each year.

Ten-year historical trend information presenting the SCRS and PORS progress in accumulating sufficient assets to pay benefits when due is presented in the Component Unit Financial Report issued annually by the South Carolina Retirement Systems. A Comprehensive Annual Financial Report containing financial statements and required supplemental information for the South Carolina Retirement System and Police Officer Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL

The Resource Conservation And Recovery Act ("RCRA"), the federal regulations which address solid waste landfill closure, was amended with more stringent closure requirements for landfills that operate beyond October 1993. The South Carolina Solid Waste Policy and Management Act of 1991 set forth certain requirements for landfills. Pursuant to the Act, South Carolina Department of Health and Environmental Control promulgated regulations establishing performance standards for the closure and post closure care of landfills. Chapter 61-107.258.60 Subpart F establishes the criteria for closure and post-closure care of landfills in South Carolina.

State and federal laws and regulations require that Williamsburg County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$4,531,306 as of June 30, 2012 which is based on 100% usage of the old landfill. The landfill closed in April of 2011.

In conjunction with new regulations regarding closure requirements for C&D landfills, the County elected to account for C&D closure costs over the active life of the landfill similar to the costs recognition principles for municipal solid waste landfills. The current addition of \$83,685 represents the current year increase based on the percentage of usage during the current year. The total estimated closure cost of the C&D landfill is \$1,388,830 of which \$1,264,200 has been recorded as a liability which represents 91% usage of the landfill expansion.

	Beginning			Ending
Estimated Liability for Closure & Post Closure	Balance	Additions	Retirements	Balance
Landfill	\$ 5,696,105	\$ 0	\$ (1,164,799)	\$ 4,531,306
C&D Landfill	1,180,515	83,685	0	1,264,200
Totals	<u>\$ 6,876,620</u>	<u>\$ 83,685</u>	<u>\$ (1,164,799)</u>	<u>\$ 5,795,506</u>

The estimated post closure cost of the landfill of \$6,034,280 and the estimated closure and post closure cost of the C&D landfill of \$1,338,830 are based on the amount that would be paid if all equipment, facilities, and service required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The South Carolina Department of Health and Environmental Control (SCDHEC) has issued a permit to operate a sanitary landfill.

NOTE 15 - DEFERRED REVENUE

Deferred revenue in the general fund represents the following revenues that do not meet the availability criteria for recognition or have not been earned as of year end:

Deferred Tax Collections	\$501,004
Deferred Court Fines	47,678
Deferred Ambulance Fees	179,605
Deferred Solid Waste Fees	233,725
Deferred Grant Funds	10,905
	<u>\$972,917</u>

Deferred revenue in the roads and bridges fund represents fees totaling \$21,721 that do not meet the availability criteria for recognition.

Deferred revenue in the federal and state grant funds total \$187,291 represent unearned grant funds.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 15 - DEFERRED REVENUE (CONTINUED)

Deferred revenue in the landfill special revenue funds represents current year taxes which do not meet the availability criteria for revenue recognition of \$95,046.

Deferred revenue in the debt service fund of \$122,580 represents taxes receivable which do not meet the availability criteria for revenue recognition.

Deferred revenue in the rural fire fund represents current year taxes which do not meet the availability criteria for revenue recognition of \$57,941 and unearned grant proceeds of \$171,922.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following Enterprise Funds have been created to provide various services to the general public:

Water & Sewer Fund - established to account for the operation of the County's water & sewer services.

Williamsburg County Transit Authority - established to account for transportation services provided to the general public.

E-911 Fund - established to account for the operation of the County's E-911 operations.

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2012:

	Water & Sewer Fund	Williamsburg County Transit System	E-911 Fund
Operating Revenues	\$ 1,185,951	\$ 983,036	\$ 326,280
Depreciation	500,690	433,619	87,258
Operating Income (Loss)	(100,459)	(1,470,582)	(106,409)
Interfund Transfers	0	206,417	500,000
Non-Operating Revenues (Expenses)	1,871,855	1,085,399	25,860
Net Income (Loss)	1,771,396	(178,766)	419,451
Property, Plant and Equipment			
Net Additions	1,042,187	(98,304)	(50,626)
Net Working Capital	566,216	1,583,227	(584,011)
Total Assets	30,185,030	3,824,855	884,911
Bonds and Other Long-Term Liabilities Payable			
from Revenues	10,210,152	153,981	189,733
Total Net Assets	19,374,990	3,446,779	48,118

NOTE 17 - RISK MANAGEMENT

The County and its component unit are exposed to various risks of loss and pay insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant losses for the covered risk. The County has not had a significant reduction in insurance in the last three years and has not had claims in excess of coverage in the last three years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 17 - RISK MANAGEMENT (CONTINUED)

Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

1. Claims of State employees for unemployment compensation benefits (Employment Security Commission).
2. Claims of covered employees for workers compensation benefits for job-related illnesses or injuries (State Accident Fund).
3. Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems).

NOTE 18 - RELATED PARTY TRANSACTIONS

Williamsburg County Development Corporation is a non-profit organization and was established as a certified development company in accordance with Title V of the Small Business Investment Act of 1958, as amended. The County's accountability for this organization does not extend beyond the initial appointments to the Corporation's board. The County Supervisor and Chairman of County Council are members of this board.

Williamsburg County and the Town of Kingstree entered into an intergovernmental agreement in July 1999 to build a new library building. The building is used by the Library Commission, owned by the Town, and is leased indefinitely to the County for \$1 annually.

NOTE 19 - FUND BALANCE RESERVATIONS AND DESIGNATIONS

The following is a list of all reserves by the County and a brief description of each:

Nonspendable Fund Balance - Inventory - an account used to segregate a portion of fund balance to indicate that these funds do not represent available, spendable resources even though it is a component of current assets.

Nonspendable Fund Balance - Prepaid Expenditures - an account used to segregate a portion of fund balance to indicate that these funds do not represent available, spendable resources even though it is a component of current assets.

Restricted for Public Safety:

Rural Fire Funds	\$	135,508
Victim's Services		44,866
Sheriff's Narcotics Funds		<u>8,961</u>
	\$	<u>189,335</u>

Restricted for General Government:

Clerk of Court Title IVD Funds	\$	<u>50,702</u>
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Restricted for Debt Service - an account used to restrict the fund balance of funds collected for the repayment of debts.

Restricted for Capital Projects - an account used to segregate a portion of fund balance to indicate that these funds are restricted for specific purposes.

Restricted for Health and Human Services:

Alcohol and Drug Abuse Fund	\$	<u>93,718</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 19 - FUND BALANCE RESERVATIONS AND DESIGNATIONS (CONTINUED)

Restricted for Environmental Services - an account used to segregate a portion of fund balance to indicate funds collected to fund the closure and postclosure costs of the landfill does not represent available, spendable resources even though it is a component of current assets.

Restricted for Economic Development:

Industrial Parks Fund	\$	340,883
Grants Fund		<u>9,256</u>
	\$	<u>350,139</u>

Restricted for Public Works:

The fees assessed by the County Council for Roads and Bridges are restricted for that purpose: \$ (41,692)

NOTE 20 - SUBSEQUENT EVENTS

On July 17, 2012, Williamsburg County issued a Tax Anticipation Note in the amount of \$3,200,000 with a maturity date of April 15, 2013 at an interest rate of 1.31% per annum.

On November 15, 2012, the County issued \$2,055,000 General Obligation Refunding Bonds, 2012 for the Williamsburg County Fire District at an interest rate of 3%.

RDA Bond Anticipation loans issued on August 15, 2012 in the amount of \$9,528,000 at an interest rate of 4.5%.

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The County sponsors a single employer defined benefit health care plan (the "Plan") that provides medical and dental insurance for retirees under the medicare eligible age of 65. Employees who had 19 years of service to Williamsburg County as of July 1, 2009 are eligible. The plan is approved each year by County Council; the contribution requirements of the County and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council retains the right to unilaterally modify its payments towards retiree health care benefits.

As of July 1, 2011, the measurement date, there were 44 covered participants, 4 retired participants, and 40 active participants. The County prospectively implemented GASB Statement No. 45 during the period ended June 30, 2009 to account for its annual post employment benefit cost. A stand alone financial report is not available.

Funding Policy

As of June 30, 2012, the County has not funded contributions to an irrevocable trust. In fiscal year 2012, the County contributes \$292 per retiree per month for health insurance, County retirees contribute 100% of monthly premiums for single health care in excess of the County's contribution of \$292. The County contributes \$12 per month per retiree for dental coverage. Retirees contributed 100% of the premium for single dental coverage in excess of the \$12 the County contributes. The County contributed the remaining premium of \$29,927.

The County's annual other postemployment (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 20 years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Annual OPEB Cost and Funded Status and Funding Progress

For 2012, the annual OPEB cost (expense) was \$66,800 for the plan. The following table shows the components of the County's annual OPEB cost for 2012:

Normal Cost	\$	26,600
20 Year Amortization of Unfunded Accrued Liability		50,700
Total Annual Required Contribution (ARC)		77,300
Interest on Net OPEB Obligation		24,500
Less Net OPEB Adjustment		(35,000)
Annual OPEB Cost	\$	66,800

Contributions made included \$29,927 by the County through payment of covered participant benefits.

The County's annual OPEB cost, the cost contributed to the plan and the net OPEB (obligation) for years ended June 30, 2012, June 30, 2011 and June 30, 2010 were as follows:

Annual OPEB Cost Summary

Plan Year	BOY NOPEBO	ARC	Int.	Adj.	Total	Actual Contributions	EOY NOPEBO	Int. Rate	Amort. Period
2009-10	\$ 295,700	\$ 293,000	\$ 0	\$ 0	\$ 293,000	\$ 11,700	\$ 577,000	6%	20
2010-11	577,000	74,600	23,100	(33,000)	64,700	29,900	611,800	4%	20
2011-12	611,800	77,300	24,500	(35,000)	66,800	48,700	629,900	4%	20

As of June 30, 2012, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$887,000, with no plan assets resulting in an unfunded accrued liability for benefits of \$887,000. The covered payroll (annual payroll of active employees covered by the plan) was \$1,358,474, and the ratio of the UAAL to the covered payroll was 63%.

Actuarial Methods and Assumptions

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.

The Unprojected Unit Credit Actuarial Cost Method was used in the June 30, 2012 valuation. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 9%. The trend rate will decrease in 0.5% steps until it reaches 6% after eight years. Both rates included a 5% inflation assumption. The Plan's UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 16 years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$33,797,418 are as follows:

Capital Assets	\$ 56,423,031
Accumulated Depreciation	<u>(22,625,613)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 33,797,418</u>

Another element of that reconciliation is that "other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements." The details of this \$1,259,301 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 681,526
Ambulance fees deferred in Governmental Fund Statement	179,605
Court Fines deferred in Governmental Fund Statement	47,678
Deferred fees	<u>350,492</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 1,259,301</u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this (\$45,731,358) are as follows:

Bonds Payable	\$ (36,306,667)
Less: Deferred Charge for Issuance Cost (to be amortized over life of debt)	655,453
Less: Unamortized Bond Discount (to be amortized as interest expense)	383,729
Plus: Issuance Premium (to be amortized as interest expense)	(84,945)
Accrued Interest Payable	(184,699)
Capital Leases Payable	(3,306,849)
Municipal Solid Waste Landfill Closure	
Postclosure Cost Accrual	(5,795,506)
Post Employment Benefits Payable	(461,018)
Compensated Absences	<u>(630,856)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ (45,731,358)</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$9,317,997 are as follows:

Capital Outlay	\$ 11,596,286
Depreciation Expense	<u>(2,278,289)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 9,317,997</u>

Another element of that reconciliation explains that "Revenues in the statement of activities, such as property taxes and police fines that will not be collected for several months after year-end and do not provide for current financial resources, are not reported as revenues in the funds." The details of that element are as follows:

Property Taxes	\$ (38,537)
Police Fines	19,095
Roads & Bridges Fees	21,721
Ambulance Fees	(150,226)
Landfill Fees	(14,994)
Solid Waste Fees	<u>233,725</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 70,784</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$988,186 are as follows:

Compensated Absences	\$ (26,122)
Accrued Interest	8,196
Municipal Solid Waste Closure Postclosure Cost Accrual	(83,685)
Amortization of Issuance Costs	(68,222)
Amortization of Bond Premium and Bond Discounts	(6,780)
Municipal Solid Waste Closure Costs	<u>1,164,799</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 988,186</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this (\$1,271,300) are as follows:

Debt issued or incurred:		
Lease Purchase Obligation Proceeds	\$	(748,106)
Debt Issuance Costs		25,000
Post Employment Benefits		(51,618)
Principal repayments:		
General Obligation debt		841,666
Post Employment Benefits Payments		48,700
Capital Lease		<u>1,155,658</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>1,271,300</u>

NOTE 23 - ECONOMIC DEPENDENCY

Williamsburg County collects property taxes from five taxpayers which represents 19% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Martek Bio	Bioscience Industry	4,742,470
Santee Electric	Electric Utility	4,588,040
DART Industries	Manufacturer	3,239,264
Carolina Power & Light	Electric Utility	2,301,740
CSX Transportation, Inc.	Railroad	2,146,800

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 24 - NET ASSETS RESTATEMENT

The fund balance of the governmental funds have been restated for the following prior period adjustments:

Governmental Activities:

Beginning Fund Balance, Governmental Funds, As Originally Reported	\$ 33,313,696
Ambulance fee deferred revenue under reported in previous report	<u>(230,860)</u>
Beginning Fund Balance, As Restated	\$ <u>33,082,836</u>
Beginning Net Assets, Governmental Activities, As Originally Reported	\$ <u>11,023,154</u>
Restatement of Governmental Funds beginning net assets for correction of error	<u>(230,860)</u>
Beginning Net Assets, Governmental Activities, As Restated	\$ <u>10,792,294</u>

Business Type Activities:

Beginning Net Assets, Business Type Activities, As Originally Reported	\$ 20,913,680
Williamsburg County Transit System NAP revenues previously reported that should have been deferred	<u>(55,874)</u>
Beginning Net Assets, Business Type Activities, As Restated	\$ <u>20,857,806</u>

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 11,250,527	\$ 11,107,106	\$ 11,192,636	\$ 85,530
Fees, Licenses, & Permits	106,500	90,115	99,198	9,083
Fines & Forfeitures	597,000	569,040	583,766	14,726
Charges for Services	2,739,388	3,112,895	2,818,200	(294,695)
Intergovernmental Revenue	2,163,456	1,858,508	2,190,835	332,327
Other Revenues	667,573	403,228	471,655	68,427
TOTAL REVENUE	\$ 17,524,444	\$ 17,140,892	\$ 17,356,290	\$ 215,398
EXPENDITURES				
County Council	194,611	203,025	203,494	(469)
Supervisor's Office	462,915	511,436	510,149	1,287
Information Technology	246,357	296,447	292,955	3,492
Council Discretionary	45,861	34,271	33,597	674
County Attorney	65,043	113,542	113,539	3
Treasurer	217,555	220,505	204,848	15,657
Building & Grounds	615,778	641,144	641,117	27
Chavis Building	137,640	145,765	114,048	31,717
Community Buildings	122,700	124,400	116,299	8,101
Health Department	89,500	89,500	88,428	1,072
Auditor	173,877	173,877	172,746	1,131
Tax Assessor	402,315	402,315	327,569	74,746
Tax Collector	215,595	118,506	142,683	(24,177)
Probate Judge	220,597	222,692	223,174	(482)
Clerk of Court	646,110	768,865	768,132	733
Magistrates	532,151	589,399	599,125	(9,726)
Coroner	94,836	94,836	96,856	(2,020)
Emergency Management	159,488	183,882	183,570	312
Communications	635,618	710,094	710,073	21
Veterans Affairs Office	69,254	69,254	68,662	592
Department of Social Services	77,660	77,660	64,980	12,680
Aeronautics Commission	17,675	17,675	15,945	1,730
Development Board	151,236	151,236	149,014	2,222
Voter Registration	78,924	88,453	88,414	39
General Election Expenses	86,051	89,901	102,185	(12,284)
Solid Waste Disposal	1,760,743	1,760,743	1,056,610	704,133
Grant Administration	89,960	89,960	84,251	5,709
Tax Forms & Printing	40,447	27,955	8,669	19,286

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
Other Government	\$ 428,764	\$ 441,256	\$ 403,784	\$ 37,472
Employee Benefits	2,105,000	2,094,071	1,747,951	346,120
Other Expenses	581,253	583,830	591,923	(8,093)
Summer Intern Program	42,929	47,285	43,488	3,797
Circuit Court Judge	1,900	1,900	806	1,094
Building Code Enforcement	125,201	125,201	95,579	29,622
Public Defender	31,853	29,882	20,412	9,470
Victim Advocates	38,698	40,669	40,647	22
Sheriff	1,882,353	2,342,818	3,091,018	(748,200)
Sheriff's Grant	0	349,411	351,955	(2,544)
Detention Center	1,464,124	1,481,434	1,481,262	172
Parole & Corrections	625	625	0	625
Solicitor's Office	94,000	94,000	94,000	0
Emergency Medical Services	1,197,938	1,259,211	1,259,158	53
Environmental Services	232,181	282,664	248,216	34,448
Social Service Agencies	81,637	95,522	95,522	0
Agencies	77,556	66,090	66,088	2
Senior Citizens	103,017	103,017	103,017	0
Recreation Department	475,581	500,155	508,259	(8,104)
Debt Service	50,000	39,693	39,688	5
Bond Issuance Costs	8,500	10,000	10,000	0
TOTAL EXPENDITURES	\$ 16,673,607	\$ 18,006,072	\$ 17,473,905	\$ 532,167
EXCESS OF REVENUES OVER EXPENDITURES	\$ 850,837	\$ (865,180)	\$ (117,615)	\$ 747,565
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 0	\$ 1,610,142	\$ 552,953	\$ (1,057,189)
Transfers Out	(850,837)	(849,847)	(860,966)	(11,119)
Bond Proceeds Animal Shelter	0	93,008	0	(93,008)
Lease Purchase Proceeds	0	29,970	727,017	697,047
TOTAL OTHER FINANCING SOURCES (USES)	\$ (850,837)	\$ 883,273	\$ 419,004	\$ (464,269)

REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ <u>0</u>	\$ <u>18,093</u>	\$ 301,389	\$ <u>283,296</u>
FUND BALANCE, Beginning of Year, As Restated			<u>4,247,974</u>	
FUND BALANCE, End of Year			<u>\$ 4,549,363</u>	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 848,300	\$ 848,300	\$ 921,589	\$ 73,289
Intergovernmental Revenue	148,444	148,444	197,693	49,249
Other Revenues	1,600	1,600	5,809	4,209
TOTAL REVENUES	\$ 998,344	\$ 998,344	\$ 1,125,091	\$ 126,747
EXPENDITURES				
Public Safety:				
Current	924,278	924,278	1,131,065	(206,787)
Capital Outlay	0	0	118,263	(118,263)
TOTAL EXPENDITURES	\$ 924,278	\$ 924,278	\$ 1,249,328	\$ (325,050)
EXCESS REVENUES OVER EXPENDITURES	\$ 74,066	\$ 74,066	\$ (124,237)	\$ (198,303)
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	35,814	35,814
Transfers (Out)	(74,066)	(74,066)	0	74,066
TOTAL OTHER FINANCING SOURCES (USES)	\$ (74,066)	\$ (74,066)	\$ 35,814	\$ 109,880
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ (88,423)	\$ (88,423)
FUND BALANCE, Beginning of Year			223,931	
FUND BALANCE, End of Year			\$ 135,508	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Legal budgets are adopted for the following major governmental funds: General Fund and Rural Fire Fund.

The budget is prepared by the County Supervisor and the Budget Director and approved by the County Council. The appropriated budget is prepared by fund, function, department, activity and object and can be amended throughout the year by County Council approval. The County Supervisor may make transfers of appropriations within a function. Transfers of appropriations between funds require the approval of the County Council. The legal level of budgetary control is the fund level.

The budgetary calendar is as follows:

February 17 - Packets distributed to elected officials, department heads, agency directors, and contribution agencies.

March 17 - All packets returned to Budget Director.

March 26 - County Supervisor, Budget Director and Clerk to Council submit computerized budget worksheets and department budgets to County Supervisor, Finance Committee and County Council.

Prior to June 30 - County Supervisor prepares a budget and submits it to County Council for approval. County Council holds hearings to obtain taxpayers' comments.

June 30 - Budget is legally adopted by ordinance.

June 30 - Final budget distributed to libraries, banks, etc.

NOTE 2 – BUDGET APPROPRIATIONS EXCEEDED

The Rural Fire Fund's actual expenditures of \$1,249,328 exceeded budgeted appropriations of \$924,278 by \$325,050. The expenditures were authorized by County Council.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
 SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
 OTHER POSTEMPLOYMENT BENEFITS -
 DEFINED BENEFIT HEALTH CARE PLAN
 YEAR ENDED JUNE 30, 2012

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Normal Cost	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government							
7/1/2008	\$ 0	\$ 2,898,246	\$ 2,898,246	\$ 53,100	0%	\$ 1,883,275	65%
06/30/11	\$ 0	\$ 856,600	\$ 856,600	\$ 25,600	0%	\$ 1,331,129	64%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual OPEB COST	Actual Contribution	Percent Funded
Primary Government			
2010	\$ 293,000	\$ 11,700	4.0%
2011	\$ 64,700	\$ 29,900	40.1%
2012	\$ 66,800	\$ 48,700	63.0%

SUPPLEMENTAL INFORMATION

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

SPECIAL REVENUE FUNDS

	LANDFILL FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE	TOTAL
ASSETS						
Cash	\$ 8,350	\$ 1	\$ 37,937	\$ 8,961	\$ 61,659	\$ 116,908
Cash Restricted	1,510,723	0	0	0	0	1,510,723
Taxes Receivable	115,261	0	0	0	0	115,261
Other Receivables	47,570	159,226	302,946	0	64,999	574,741
Inventory	0	43,823	0	0	0	43,823
TOTAL ASSETS	\$ 1,681,904	\$ 203,050	\$ 340,883	\$ 8,961	\$ 126,658	\$ 2,361,456
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	69,203	7,343	0	0	18,604	95,150
Due to Other Funds	486,515	157,489	0	0	0	644,004
Accrued Wages & Benefits Payable	8,113	14,366	0	0	14,336	36,815
Deferred Revenue	95,046	21,721	0	0	0	116,767
TOTAL LIABILITIES	\$ 658,877	\$ 200,919	\$ 0	\$ 0	\$ 32,940	\$ 892,736
FUND BALANCE						
Nonspendable:						
Inventory	0	43,823	0	0	0	43,823
Restricted for:						
Health & Human Services	0	0	0	0	93,718	93,718
Environmental Services	1,023,027	0	0	0	0	1,023,027
Public Safety	0	0	0	8,961	0	8,961
Economic Development	0	0	340,883	0	0	340,883
Public Works	0	(41,692)	0	0	0	(41,692)
TOTAL FUND BALANCE	\$ 1,023,027	\$ 2,131	\$ 340,883	\$ 8,961	\$ 93,718	\$ 1,468,720
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,681,904	\$ 203,050	\$ 340,883	\$ 8,961	\$ 126,658	\$ 2,361,456

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

SPECIAL REVENUE FUNDS

	LANDFILL FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE FUND	TOTAL
REVENUES						
Taxes	\$ 0	\$ 0	\$ 456,895	\$ 0	\$ 0	\$ 456,895
Fees, Licenses & Permits	482,841	844,119	0	0	405,045	1,732,005
Charges For Services	21,610	0	0	0	0	21,610
Intergovernmental Revenue	0	0	0	0	282,623	282,623
Miscellaneous Revenues	8,115	6	4	14,446	24,235	46,806
TOTAL REVENUES	\$ 512,566	\$ 844,125	\$ 456,899	\$ 14,446	\$ 711,903	\$ 2,539,939
EXPENDITURES						
Current:						
Public Works	0	988,766	0	0	0	988,766
Public Safety	0	0	0	21,282	0	21,282
Health and Human Services	0	0	0	0	832,864	832,864
Environmental Services	1,433,553	0	0	0	0	1,433,553
Economic Development	0	0	415,745	0	0	415,745
Capital Outlay						
Public Works	0	60,437	0	0	0	60,437
Health & Human Services	0	0	0	0	27,666	27,666
TOTAL EXPENDITURES	\$ 1,433,553	\$ 1,049,203	\$ 415,745	\$ 21,282	\$ 860,530	\$ 3,780,313
EXCESS REVENUES OVER EXPEDITURES	(920,987)	(205,078)	41,154	(6,836)	(148,627)	(1,240,374)
OTHER FINANCING SOURCES (USES)						
Lease Purchase Proceeds	0	0	0	0	21,089	21,089
Transfers In	0	0	0	990	114,669	115,659
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 990	\$ 135,758	\$ 136,748
EXCESS REVENUES OVER EXPEDITURES AND OTHER FINANCING SOURCES (USES)	\$ (920,987)	\$ (205,078)	\$ 41,154	\$ (5,846)	\$ (12,869)	\$ (1,103,626)
FUND BALANCE, Beginning of Year	1,944,014	207,209	299,729	14,807	106,587	2,572,346
FUND BALANCE, End of Year	\$ 1,023,027	\$ 2,131	\$ 340,883	\$ 8,961	\$ 93,718	\$ 1,468,720

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2012**

FINES AND FEES STATE PORTION

Public Defender Application Fees	\$ 3,520
Marriage License Fee	3,480
Bond Echeatment	1,392
Circuit/Family Court Motion Fees	13,034
Family/Alimony/Child Support Fees	81,845
Circuit/Family Court Fines & Fees	2,411
Circuit/Family Court Filing Fees	25,718
Circuit/Family Court Filing Fees Increase \$50	21,405
Magistrate Filing Assessment Civil - \$25	11,025
Magistrate Filing Assessment Civil - \$10	6,889
Total State Portion Fines & Fees	<u>\$ 170,719</u>

DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT

Magistrates' Court DUS DPS Pullout	10,134
General Sessions DUI Surcharge - \$100	765
Magistrates' Court DUI Surcharge	6,281
Magistrates' Court DUI DPS Pullout	6,351
DUI/DUAC Breathalyzer Test Conviction Fee SLED	1,558
Total DUI Assessments State Portion	<u>\$ 25,089</u>

SURCHARGES STATE PORTION

General Sessions Court Drug Surcharge	1,876
Magistrates' Court Drug Surcharge	6,310
General Sessions Law Enforcement Surcharge	1,811
Magistrates' Court Law Enforcement Surcharges	63,898
Magistrates Criminal Justice Academy \$5 Surcharge	197
Other Assessment State Share	12,745
	<u>\$ 86,837</u>

OTHER ASSESSMENTS STATE PORTION

General Sessions Court	20,822
Magistrates' Court	187,475
Total Other Assessments State Portion	<u>\$ 208,297</u>

VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION

General Sessions Court	390
Magistrates' Court	23,427
Total Assessments County Portion	<u>\$ 23,817</u>

SURCHARGES COUNTY PORTION

General Sessions Court	5,943
Magistrates' Court	15,544
Total Surcharges County Portion	<u>\$ 21,487</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Wastewater Treatment				
Wastewater Treatment Revenue	\$ 307,872	\$ 307,872	\$ 301,316	\$ (6,556)
Pretreatment Revenue	12,000	12,000	43,143	31,143
WasteWater (Sewer)				
Charges for Services	76,968	76,968	75,329	(1,639)
Tap Fees	1,800	1,800	0	(1,800)
Lane Sewer Operations	0	0	53,558	53,558
Potable Water				
Charges for Services	650,000	650,000	628,221	(21,779)
Tap Fees	9,000	9,000	10,825	1,825
Penalties	11,000	11,000	11,110	110
Connection Fees	7,500	7,500	9,400	1,900
Reconnection Fees	8,400	8,400	12,658	4,258
Franchise Fees	8,500	8,500	1,885	(6,615)
Other Revenues	15,600	15,600	38,506	22,906
TOTAL REVENUE	\$ 1,108,640	\$ 1,108,640	\$ 1,185,951	\$ 77,311

EXPENDITURES

Wastewater Treatment Plant

Salaries	\$ 52,500	\$ 50,982	\$ 71,612	\$ (20,630)
Employee Benefits	24,455	28,596	12,394	16,202
Telephone	1,500	3,126	3,124	2
Postage	200	0	0	0
Office Supplies	850	231	131	100
Janitorial Supplies	150	0	0	0
Printing Supplies	75	0	0	0
Miscellaneous Expense	750	299	298	1
Property and Equipment Insurance	2,800	2,316	2,316	0
Tort Insurance	150	150	150	0
Machinery and Equipment Repairs	18,000	10,260	46,534	(36,274)
Electricity	92,500	96,827	108,840	(12,013)
Water and Sewer	2,000	3,769	4,166	(397)
Travel & Training	3,000	22	22	0
Membership & Dues	100	0	0	0
Independent Auditors	1,600	4,961	4,950	11
Legal Contractual Services	1,000	0	0	0
Workman's Compensation	788	659	659	0
Contractual Services O&M	72,000	85,504	85,406	98
Contractual Services Other	18,000	19,222	18,566	656
Operating Permits	1,500	1,330	1,330	0
Chemical Chlorine	4,200	6,667	6,532	135

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Depreciation Expense	0	0	4,511	(4,511)
Engineering	2,500	1,094	1,093	1
Lab Expense	500	0	0	0
General Expense	2,000	2,087	2,295	(208)
General and Admin. Expense	750	1,270	1,267	3
Equipment Rental	1,000	0	0	0
Capital Expansion	13,504	0	0	0
Computer Hardware	1,500	500	0	500
Total Wastewater Treatment Plant	\$ 319,872	\$ 319,872	\$ 376,196	\$ (56,324)
Wastewater (Sewer)				
Salaries	\$ 26,225	\$ 26,104	\$ 9,386	\$ 16,718
Employee Benefits	3,824	1,827	1,813	14
Office Supplies	200	132	131	1
Miscellaneous Expense	400	1,100	1,100	0
Property and Equipment Insurance	600	477	476	1
Machinery and Equipment Repairs	8,000	17,290	23,565	(6,275)
Electricity	16,000	16,000	28,525	(12,525)
Travel & Training	0	1,502	1,502	0
Workman's Compensation	395	329	329	0
Contractual Services O&M	15,000	8,021	8,020	1
Contractual Services Other	6,424	5,896	5,896	0
Depreciation Expense	0	0	149,196	(149,196)
Engineering	1,500	0	0	0
General Expense	200	90	89	1
Lane Sewer Operations	0	0	30,654	(30,654)
Total Wastewater (Sewer)	\$ 78,768	\$ 78,768	\$ 260,682	\$ (181,914)
Potable Water				
Salaries	\$ 84,500	\$ 79,117	\$ 31,091	\$ 48,026
Employee Benefits	29,315	25,720	5,862	19,858
Telephone	3,200	3,200	1,046	2,154
Postage	3,000	3,000	1,860	1,140
Office Supplies	1,200	3,819	3,340	479
Advertising & Promotion	1,500	1,270	0	1,270
Printing Supplies	2,000	1,869	1,403	466
Miscellaneous Expense	2,500	2,500	2,668	(168)
Property and Equipment Insurance	4,000	3,492	3,428	64
Tort Insurance	150	150	150	0
Machinery and Equipment Repairs	20,000	48,600	49,327	(727)
Electricity	30,000	45,958	48,556	(2,598)
Travel & Training	3,500	4,210	3,885	325
Membership & Dues	300	330	330	0

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Independent Auditors	1,600	4,950	4,950	0
Legal Contractual Services	750	245	0	245
Bank Charges Other	150	5,136	5,135	1
Workman's Compensation	1,268	788	659	129
Contractual Services O&M	85,000	85,000	83,580	1,420
Contractual Services Other	15,000	15,000	15,807	(807)
Operating Permits	9,500	7,490	6,443	1,047
Install Water Taps Contracted	14,000	16,450	16,448	2
Chemical Chlorine	8,000	14,495	11,595	2,900
Depreciation Expense	0	0	346,983	(346,983)
Engineering	1,500	1,500	417	1,083
Materials Water Taps	1,500	750	0	750
General Expense	850	1,596	1,596	0
General and Admin. Expense	750	754	1,949	(1,195)
Purchased Water for Resale	2,500	2,500	339	2,161
Future Projects	128,069	16,741	685	16,056
Expendable Furniture & Equipment	12,000	12,000	0	12,000
Total Potable Water	\$ 467,602	\$ 408,630	\$ 649,532	\$ (240,902)
TOTAL OPERATING EXPENSES	\$ 866,242	\$ 807,270	\$ 1,286,410	\$ (479,140)
OPERATING INCOME	\$ 242,398	\$ 301,370	\$ (100,459)	\$ (401,829)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	1,750	1,750	356	(1,394)
Interest Expense	(244,148)	(303,120)	(317,596)	(14,476)
RDA Grant	0	0	1,632,096	1,632,096
Community Development Block Grant	0	0	556,999	556,999
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ (242,398)	\$ (301,370)	\$ 1,871,855	\$ 2,173,225
NET INCOME (LOSS)	\$ 0	\$ 0	\$ 1,771,396	\$ 1,771,396
NET ASSETS, Beginning of Year	17,603,594	17,603,594	17,603,594	0
NET ASSETS, END OF YEAR	\$ 17,603,594	\$ 17,603,594	\$ 19,374,990	\$ 1,771,396

WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2012

DMT CONTRACT NUMBER - PT-11009-A5
CONTRACT PERIOD - JULY 1, 2011 - JUNE 30, 2012

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Capital						
Bus	\$ 320,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 320,000
Support Vehicle	30,000	24,762	5,072	0	29,834	166
Sedan/Station Wagon	<u>23,494</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,494</u>
Total	<u>\$ 373,494</u>	<u>\$ 24,762</u>	<u>\$ 5,072</u>	<u>\$ 0</u>	<u>\$ 29,834</u>	<u>\$ 343,660</u>
 Prior Year Expenditures	 <u>394,704</u>					
 Prior Year Section 5311	 \$ 280,596					
State	55,874					
Local	<u>58,233</u>					
	<u>\$ 394,703</u>					

WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2012

DMT CONTRACT NUMBER - MT-110RR-93 ARRA
CONTRACT PERIOD - JULY 1, 2011 - JUNE 30, 2012

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Capital						
ADP Hardware	\$ 999	\$ 999	\$ 0	\$ 0	\$ 999	\$ 0
ADP Hardware	151,596	35,458	0	0	35,458	116,138 *
ADP Software	4,915	4,915	0	0	4,915	0
Total	<u>\$ 157,510</u>	<u>\$ 41,372</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,372</u>	<u>\$ 116,138</u>
Prior year expenses:		<u>\$ 116,138</u>				
Prior Year						
Section 5311	\$ 116,138					
State	0					
Local	0					
	<u>\$ 116,138</u>					

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

**DMT CONTRACT NUMBER - PT-21011-97
CONTRACT PERIOD - JULY 1, 2011 - JUNE 30, 2012**

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Administration						
Personnel	\$ 177,450	\$ 115,562	\$ 13,943	\$ 43,699	173,204	\$ 4,246
Fringe Benefits	45,100	32,382	3,907	12,245	48,534	(3,434)
Professional & Technical Services	0	0	0	6,513	6,513	(6,513)
Custodial Services	2,100	861	104	325	1,290	810
Materials & supplies	15,400	14,576	1,767	5,504	21,846	(6,446)
Utilities	11,800	22,182	2,676	8,388	33,246	(21,446)
Dues & Subscriptions	700	1,118	135	423	1,675	(975)
Instate Travel & Meetings	0	0	0	306	306	(306)
Out-of-State Travel & Meetings	0	0	0	4,309	4,309	(4,309)
Advertising & Promotion	2,000	735	89	278	1,102	898
Other Miscellaneous	6,000	8,804	1,051	3,348	13,203	(7,203)
Lease & Rentals - Copier	3,300	2,281	275	863	3,419	(119)
Temp	4,100	0	0	0	0	4,100
Operations						
Salaries	686,900	87,786	12,709	292,367	422,862	264,038
Employee Benefits	124,000	37,861	18,420	126,093	182,374	(58,374)
Uniforms	15,000	2,508	1,220	8,353	12,081	2,919
Contract Services, Materials & Supplies	53,050	30,675	14,924	102,162	147,761	(94,711)
Fuel & Lubricants	373,650	111,838	54,326	372,264	538,428	(164,778)
Tires & Tubes	81,000	2,811	1,377	9,429	13,638	67,362
Other Services	0	0	0	3,638	3,638	(3,638)
Other Material & Supplies	74,050	767	373	2,555	3,696	70,354
Vehicle Leasing & Fees	1,000	187	91	622	900	100
Insurance Casualty & Liability	88,000	17,198	8,367	57,278	82,844	5,156
Instate Travel & Meetings	0	0	0	1,521	1,521	(1,521)
Out of State Travel & Meetings	0	0	0	1,662	1,662	(1,662)
Drug Testing	1,500	257	125	855	1,237	263
Other Miscellaneous Operations	5,200	5,750	2,797	19,150	27,698	(22,498)
Leasing & Rentals	0	0	0	1,620	1,620	(1,620)
Capital						
Repairs & Maintenance - Spare Parts	0	0	0	0	0	0
Salaries	143,110	106,923	13,574	28,927	149,423	(6,313)
Fringe Benefits	0	7,187	913	1,944	10,044	(10,044)
Title XIX						
Salaries	0	0	0	63,200	63,200	(61,225)
Fringe Benefits	0	0	0	17,615	17,615	(17,578)
Other Operating Expenses						
Depreciation Expense	0	0	0	433,619	433,619	(384,503)
Post Employee Benefit Expense	0	0	0	12,146	12,146	18,012
Compensated Absence Expense	0	0	0	(382)	(382)	1,637
Other General Expense	0	0	0	17,346	17,346	5,226
	<u>\$ 1,914,410</u>	<u>\$ 496,158</u>	<u>\$ 229,462</u>	<u>\$ 1,660,186</u>	<u>\$ 2,453,618</u>	<u>\$ (539,208)</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2012

DMT CONTRACT NUMBER - PT-21009-05
CONTRACT PERIOD - JULY 1, 2011 - JUNE 30, 2012

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Capital Buses	\$ 185,400	185,376	0	\$ 0	\$ 185,376	\$ 24
	<u>\$ 185,400</u>	<u>\$ 185,376</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 185,376</u>	<u>\$ 24</u>

SINGLE AUDIT SECTION

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
HEALTH AND HUMAN SERVICES			
Passed Through State of S.C. Department of Alcohol & Drug Abuse Alcohol & Drug Abuse Grants	93.959	N/A	\$ 187,724
HOUSING AND URBAN DEVELOPMENT			
Passed Through S.C. Department of Commerce Saint Mark Project	14.228	4-CI-10-032	481,221
Morris Corner Project	14.228	CI-09-023	75,778
HOMELAND SECURITY			
FEMA Assistance to Fire Fighters Safer Grant	97.044	EMW-2010-FO-04491	98,475
Safer Grant	97.044	EMW-2010-FF-00098	140,385
Safer Grant	97.044	EMW-2011-EP-02115	57,307
Passed Through SLED LEMPG	97.042	2010LEMPG	5,502
LEMPG	97.042	2011LEMPG	48,044
Passed Through SCEMD Citizens Corp.	97.067	8SHSP64	7,900
Citizens Corp.	97.067	7SHSP51	43,299
ENVIROMENTAL PROTECTION AGENCY			
Brownsfield Assessment Grant	66.818	BF954627100	172,716
DEPARMENT OF TRANSPORTATION			
Passed Through S.C. Department of Aeronautics Airport Improvement Program	20.106	3-45-0033-012-2011	1,360,152

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
DEPARTMENT OF TRANSPORTATION (Continued)			
Passed Through State of S.C.			
Department of Transportation Office of Public Transportation			
Rural Transportation	20.509	PT-11009-A5	24,762
Rural Transportation - ARRA	20.509	MT-110RR-93	41,372
Rural Transportation	20.509	PT-21011-97	603,332
Rural Transportation	20.500	PT-21009-05	185,376
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant	16.804	2009-DJ-BX-1016	14,801
Equipment Upgrade	16.803	2010-DJ-BX-1264	6,206
DOJ Cops Grant	16.710	2008-CK-WY-0841	328,434
Justice Assistance Grant	16.737	2011-DJ-BX-3371	2,514
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
RBEG Grant	10.769	N/A	22,876
RBEG Grant	10.783	SC-00-21	4,183
Water & Wastewater Disposal Systems for Rural Communities:			
Lane Sewer Project RDA Grant	10.760	N/A	368,070
East Kingstree Phase II RDA Grant	10.760	N/A	520,718
East Kingstree Phase I RDA Grant	10.760	N/A	600,943
South Williamsburg RDA Grant	10.760	N/A	142,364
Passed Through State of S.C.			
Summer Feeding Program	10.559	SF-110	170,720
TOTALS			\$ 5,715,174

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of the Williamsburg County, South Carolina and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented on, or used in the preparation of, the basic financial statements.

NOTE B - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures are reported in the County's basic financial statements as expenditures in the governmental funds and expenses in the enterprise funds. Loan and grant expenditures for the Water & Sewer Funds for the Rural Development Loan Proceeds and Grants have been capitalized in accordance with generally accepted accounting principles. The Capital grants expenses for the Rural Transportation Grants have been capitalized in accordance with generally accepted accounting principles.

NOTE C - MAJOR PROGRAMS

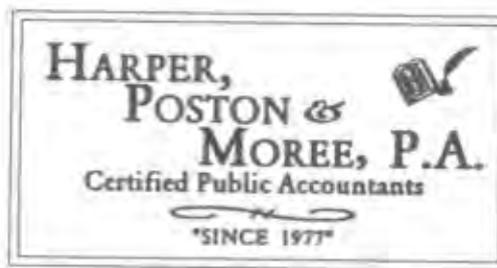
The following funds were audited as Major Funds for the year ended June 30, 2012:

Rural Transportation Grants	20,500
Rural Transportation Grant ARRA	20,509
Community Development Block Grants	14,228
Rural Development Grants and Loans	10,760
DOJ Cops Grant	16,737
Airport Improvement Program	20,106

NOTE D - RURAL DEVELOPMENT OUTSTANDING LOANS

The loan amounts reported on the Schedule of Expenditure of Federal Awards equal the loan proceeds drawn down for the fiscal year as well as interim loan proceeds which will be repaid when the RDA loans close. The outstanding balances of RDA loans at June 30, 2012 are as follows:

Rural Development Loan Number 8	\$ 33,091
Rural Development Loan Number 10	434,066
Rural Development Loan Number 12	2,044,566
Rural Development Loan Number 16 Lane Sewer	674,370
Rural Development Loan 14 Kingstree East I	3,541,134
Rural Development Loan 18 Kingstree East II	<u>3,576,000</u>
	<u>\$10,303,227</u>



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

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

We have audited the financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 15, 2013. 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. Other auditors audited the financial statements of Williamsburg County Alcohol & Drug Abuse Commission's special revenue fund, as described in our report on Williamsburg County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of Williamsburg County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Williamsburg County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamsburg 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 Williamsburg County's basic 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 basic 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as 2012-B1.

We noted certain other matters that we reported to the management of the Williamsburg County in a separate letter dated April 15, 2013.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Council, and 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.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
April 15, 2013



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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

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

Compliance

We have audited Williamsburg County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* which could have a direct and material effect on each of Williamsburg County's major federal programs for the year ended June 30, 2012. Williamsburg County's major programs are identified in the summary of auditor's 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 Williamsburg County's management. Our responsibility is to express an opinion on the Williamsburg 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 State, 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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the Williamsburg County's 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 on the Williamsburg County's compliance with those requirements.

In our opinion, Williamsburg County, South Carolina complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned cost for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Williamsburg County, South Carolina 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 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 Williamsburg 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 function, 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 was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of Williamsburg County's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on Williamsburg County's compliance but not to provide an opinion on the effectiveness of Williamsburg County's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Williamsburg County's compliance with requirements applicable to each major program and its internal control compliance. Accordingly, this report is not suitable for any other purpose.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
April 15, 2013

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. No significant deficiencies were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of non-compliance was disclosed during the audit of the financial statements.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Williamsburg County expresses an unqualified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDEA Number</u>
Rural Development Water & Waste Water Improvements	10.760
Rural Transportation Grant	20.500
Rural Transportation Grant - ARRA	20.509
Community Development Block Grant	14.228
DOJ Cops Grant	16.737
Airport Improvement Project	20.106

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Williamsburg County, South Carolina was determined to be a low risk auditee.

B - FINDINGS - FINANCIAL STATEMENT AUDIT

Noncompliance:

Finding 2011- B2; Collateralization of Deposits and Investments

Finding: Adequate collateralization was not pledged by financial institutions to insure balances in excess of FDIC limits.

Criteria: State law mandates collateral be maintained on uninsured balances at financial institutions.

Cause: Management or Bank Oversight.

Effect: Risk of loss of uninsured balances.

Recommendation: Management should periodically review pledged collateral to ensure all funds are collateralized.

Management response: We will monitor securities pledged to insure account balances.

C - FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

None Noted.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

There were no prior year audit findings relating to federal award programs that are required by Circular A-133 to be reported in the Summary Schedule of Prior Year Audit Findings.