

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2014**

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Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: HPM2@sc.rr.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 9.5 percent and 25.76 percent, respectively, of the assets and revenues of the other governmental funds.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 9.5 percent and 25.76 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 financial statements insofar as it relates to the amounts included for Williamsburg County Alcohol and Drug Abuse special revenue fund is based solely on the report of 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our 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, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 64 through 68 and the schedule of funding progress and employer contribution on page 69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 also not a required part of the basic financial statements.

The combining and individual fund financial statements, supplemental schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
February 20, 2015

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, 2014. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2014 by \$34,602 (net position). This is a decrease of \$2,102 from the prior year net position. This decrease is due from the expenditure of funds during an extraordinary event, a winter storm during the year. Although the County anticipates future reimbursement of the majority of the expenditure, at time of drafting the financial statements, the applications for reimbursement had not been approved by the Federal Emergency Management Agency. As such, associated revenues and accounts receivables were not recorded, resulting in the substantial decrease in net position.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$2,092. This is a decrease in fund balance from the prior year in the amount of \$7,460. This decrease in fund balance is primarily due to the expenditures related to the previously discussed winter storm, which totaled \$4,741. An additional \$693 is attributed to the consolidation of the County's E-911 fund, formally an enterprise activity, into the General Fund. The County also decreased fund balance by \$480 in the Capital Projects Fund due to the expenditure of proceeds from the 2010 Installment Purchase Revenue Bond (IPRB) for construction of essential County Buildings. Although fund balance was reduced significantly in total, the County's General Fund has an unassigned fund balance of \$2,653, or 14% of General Fund expenditures.
- ❖ Williamsburg County's long-term debt decreased by \$1,503 during the current fiscal year. There was a principal reduction in the general obligation bonds of \$495 and a reduction in capital leases in the amount of \$566. The Bond Anticipation Note purchased last year was reissued in 2014 with a principal reduction of \$320. Revenue bonds decreased by \$126.

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 position and a statement of activities. These statements appear on pages 15 and 16 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 position 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 29 of this report.

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2014. The difference between these assets and liabilities is reported as net position. Changes in net position 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 Position and presents information showing how the net position 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 and a transit 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 17 through 20, essentially account for the same functions as those reported under government-wide statement of net position 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 Roads and Bridges Fund, Federal and State Grants Fund and the Debt Service Fund. The smaller governmental funds in Williamsburg County government are Landfill Fund, Capital Projects 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 70 and 71.

Proprietary funds. Williamsburg County maintains and presents proprietary funds for three enterprises, Water and Sewer, Transit Authority and E-911, shown on pages 21 through 26 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 27 and 28 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 29 through 63.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Williamsburg County, assets exceed liabilities by \$34,602 at the close of the June 30, 2014 fiscal year.

Of this amount, \$35,344 (103%) 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 position, \$1,257 (4%) represents restrictions for Landfill Closure and Post Closure; \$1,865 (5%) represents restrictions for debt service; \$144 is restricted for public safety and \$50 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 Position June 30, 2014 (Recapped from page 15)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	14,336	14,631	2,543	1,914	16,879	16,545
Capital Assets	44,661	43,996	46,335	46,267	90,996	90,263
Total Assets	58,997	58,627	48,878	48,181	107,875	106,808
Deferred Outflows of Resources	108	118	-	-	108	118
Long-term Liabilities	40,415	41,975	19,472	19,945	59,887	61,920
Other Liabilities	12,288	6,530	1,206	1,773	13,494	8,303
Total Liabilities	52,703	48,505	20,678	21,718	73,381	70,223
Net Position:						
Net Investment in Capital Assets	8,623	7,634	26,722	26,034	35,345	33,668
Restricted for:						
Public Safety	144	326	-	-	144	326
General Government	50	7	-	-	50	7
Landfill Closure and Post Closure	1,257	1,271	-	-	1,257	1,271
Restricted - Other	2,672	2,592	250	170	2,922	2,762
Unrestricted	(6,344)	(1,590)	1,228	259	(5,116)	(1,331)
Total Net Position	\$6,402	\$10,240	\$28,200	\$26,463	\$34,602	\$36,703

Governmental activities. Governmental activities decreased the County's net position by \$3,838. Of this decrease, \$4,741 is directly attributable to the winter storm event.

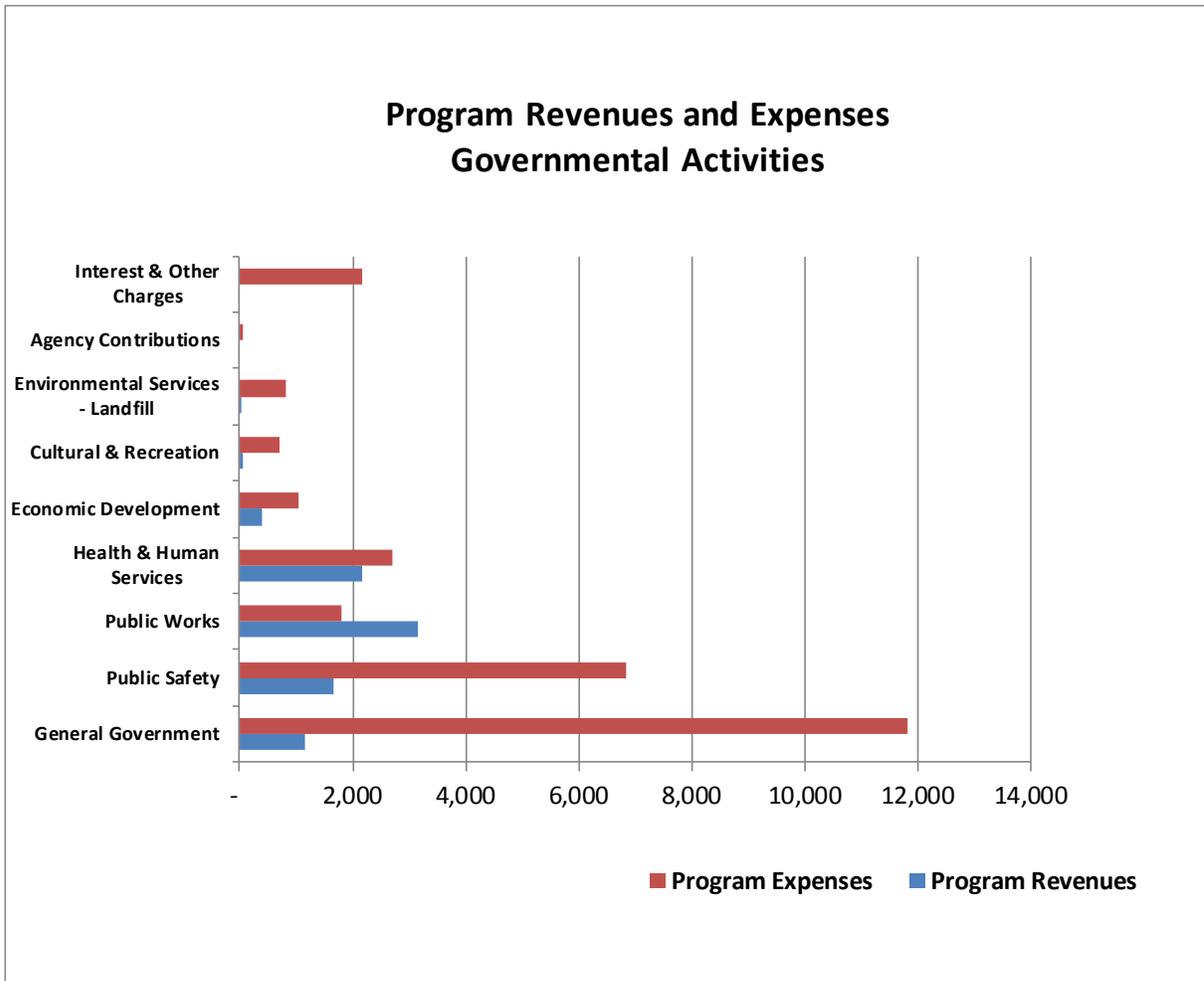
Business-type activities. Business-type activities increased the County's net position by \$1,737, offsetting the decrease generated through Governmental Activities. The combined decrease of Net Position is \$2,101.

Williamsburg County, South Carolina
Changes in Net Position (Recapped from page 16)
For the Fiscal Year ended June 30, 2014

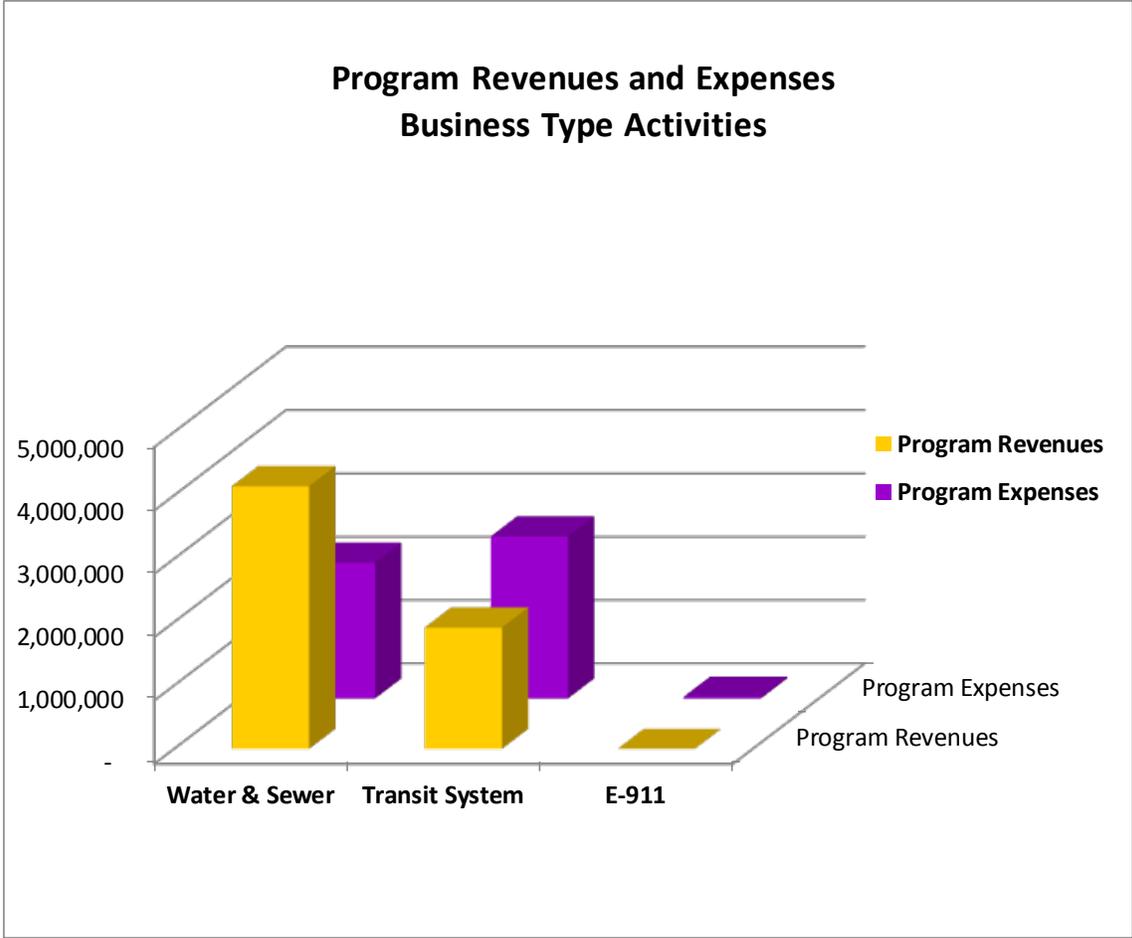
Property tax revenues increased over last year by \$671 or 6%. This increase is primarily due to an expansion in the county's industrial base. The \$1,257 increase in grant revenue in the governmental funds was primarily from grant revenue related to the winter storm. Other revenue sources experienced moderate changes during the year, resulting in a combined increase in revenue of \$1,441 for all Governmental activity.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	2,247	2,385	2,400	2,885	4,647	5,270
Operating grants and contributions	4,645	3,896	728	683	5,373	4,579
Capital grants and contributions	1,726	1,218	2,934	4,966	4,660	6,184
General revenues:						
Property taxes	12,500	11,829	-	-	12,500	11,829
Other taxes	1,913	2,170	-	-	1,913	2,170
Local government fund	1,272	1,266	-	-	1,272	1,266
Other revenue	4,721	4,913	3	25	4,724	4,938
Investment earnings	70	(25)	-	1	70	(24)
Total Revenue	29,094	27,652	6,065	8,560	35,159	36,212
Expenses:						
Program Activities:						
Government Activities:						
General government	11,827	9,453	-	-	11,827	9,453
Public safety	6,852	5,371	-	-	6,852	5,371
Public works	1,795	3,006	-	-	1,795	3,006
Health and welfare	2,714	2,720	-	-	2,714	2,720
Economic development	1,042	1,335	-	-	1,042	1,335
Culture and recreation	703	641	-	-	703	641
Environmental services	814	1,977	-	-	814	1,977
Agency contributions	71	79	-	-	71	79
Interest and other charges	2,177	2,356	-	-	2,177	2,356
Business-type activities:						
Water and Sewer Fund	-	-	2,146	2,000	2,146	2,000
Transit System	-	-	2,561	2,583	2,561	2,583
E-911 Fund	-	-	29	650	29	650
Total Expenses	27,994	26,938	4,736	5,233	32,730	32,171
Transfers	(232)	(232)	232	232	-	-
Special/Extraordinary Items	(4,706)	-	176	-	(4,530)	-
Increase(Decreased) in Net Position	(3,838)	482	1,737	3,559	(2,101)	4,041
Net Position, as restated	10,240	9,758	26,463	22,904	36,703	32,662
Net Position, Ending	\$6,402	\$10,240	\$28,200	\$26,463	\$34,602	\$36,703

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.



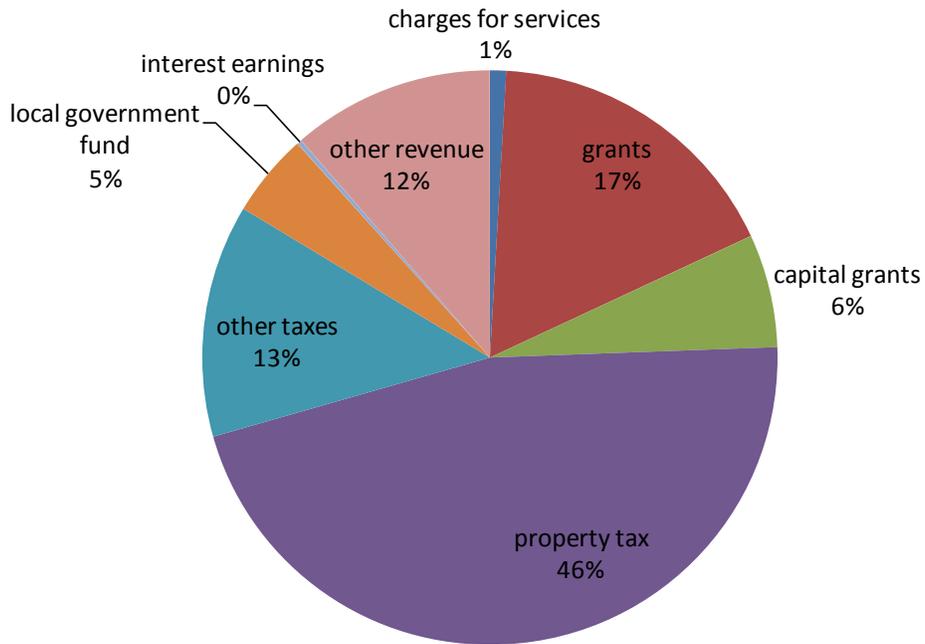
The chart above shows the governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$2,248 for 2014. Governmental Activities received \$8,618 or 31% collectively in program revenues while the program expenditures were \$27,994. This requires the remaining 69% or \$19,376 of the revenues required to meet program expenditures to come from general revenue which includes taxes. This is 15% more received in 2014 from the prior year program revenues. As mentioned earlier, the majority of this increase stems from grant revenue related to the winter storm event.



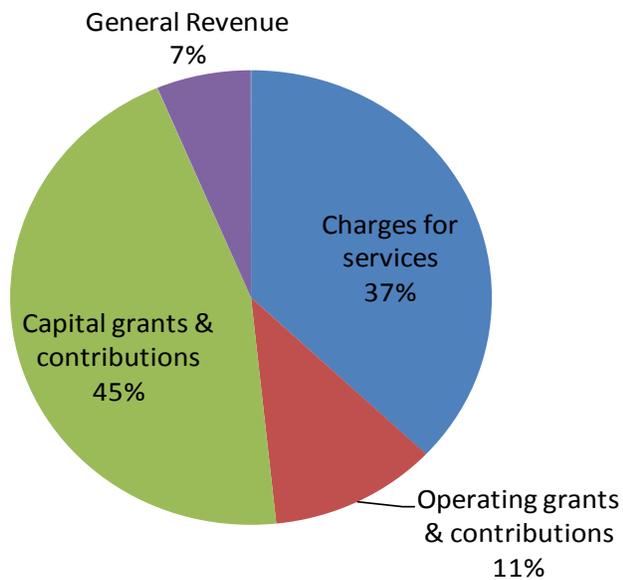
The chart above shows the Business-type activities of the county that are supported by Program Revenues. The only Business-type fund that is fully funded with its Program Revenues is the Water and Sewer Fund.

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Revenues by Source - Governmental Activities



Revenues by Source - Business Type Activities



Business-type funds decreased revenue by \$2,495 or 29% while expenses decreased by 9%. These changes are the results of decreases in grant revenue in Water and Sewer and the transfer of the E-911 Fund to the

General Fund. There were transfers of \$232 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 \$2,092, a decrease of \$7,460 from the previous year. As stated on page 4 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 unreimbursed expenditures related to the winter storm, and the closure of the E-911 fund into the General Fund.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$2,704 for the general fund of which \$2,653 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 14% of total general fund expenditures. The net decrease in the fund balance of the general fund was \$2,034 during the current year. This decrease is attributed to the absorption of the E-911 fund and winter storm related expenditures. Operating transfers (Out) from the general fund were \$415.

The rural fire fund has a total fund balance of \$130. 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 \$1,401, all of which is reserved for the payment of debt service. A decrease of \$548 in the fund balance is the result of a decrease in transfers in from other funds.

The roads and bridges fund has a fund balance of (\$4,854), a decrease of \$4,777. This is a result of the unreimbursed expenditures from the winter storm event as previously discussed.

The other governmental funds included in the above totals had a combined fund balance of \$2,314.

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 21 through 24.

Unrestricted net position of the Transit System totaled \$1,552. The E-911 Fund, as mentioned earlier, was consolidated with the general fund, to provide a more accurate financial presentation. The net position for the Water and Sewer System increased \$2,000. The Transit net position decreased \$410.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 64 thru 66 of this report. The Taxes revenue category experienced a small increase from the original budgeted amount. All other revenue streams experienced slight decreases from the original budget. Expenditures exceeded original budgeted amounts due in part to the costs associated with the storm, as well as the unanticipated requirement to increase personnel expenditures in public safety.

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, 2014 amounted to \$90,996 (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 1%. 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

Capital Assets for Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	1,829	1,829	148	148	1,977	1,977
Land improvements	3,597	3,897	-	-	3,597	3,897
Buildings	24,080	19,488	5	10	24,085	19,498
Building improvements	5,703	1,901	27	29	5,730	1,930
Roads & Bridges	3,630	2,461	-	-	3,630	2,461
Water Distribution System	-	-	44,800	28,002	44,800	28,002
Leasehold improvements	181	204	-	-	181	204
Furniture & fixtures	635	658	-	6	635	664
Machinery & equipment	1,673	1,948	119	162	1,792	2,110
Automotive equipment	2,624	3,119	1,190	1,550	3,814	4,669
Communication equipment	709	148	-	661	709	809
Construction in progress	-	8,343	46	15,699	46	24,042
Total	\$44,661	\$43,996	\$46,335	\$46,267	\$90,996	\$90,263

Additional information on the County's capital assets can be found in Note 5 on pages 38 through 41 of this report.

Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$53,992 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation						
bonds	4,305	4,800	-	-	4,305	4,800
Unamortized Premium	110	120	-	-	110	120
IPRB Facilities Corp	30,000	30,000	-	-	30,000	30,000
Less Unamortized Discount	(356)	(370)	-	-	(356)	(370)
Bond anticipation						
notes	320	640	-	-	320	640
Revenue bonds	-	-	19,613	19,739	19,613	19,739
Total bonds payable	<u>34,379</u>	<u>35,190</u>	<u>19,613</u>	<u>19,739</u>	<u>53,992</u>	<u>54,929</u>
Capital leases	<u>2,236</u>	<u>2,621</u>	<u>-</u>	<u>181</u>	<u>2,236</u>	<u>2,802</u>
Total	<u>\$36,615</u>	<u>\$37,811</u>	<u>\$19,613</u>	<u>\$19,920</u>	<u>\$56,228</u>	<u>\$57,731</u>

The County's total bonded debt decreased by \$937 (1%) during the current 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 \$7,230. The current general obligation bonds subject to the legal debt limitation is \$320 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 42 through 50 of this report.

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Economic Factors and Next Year's Budgets and Rates

- ❖ As of December 2014 the annual average unemployment rate for Williamsburg County is 7.8%. This is a 1.4% decrease from the prior year of 8.8%. While this figure remains above the national average, the rate is definitely trending in the right direction. The County is currently assisting several existing employers with expansions to current operations, which will provide continued improvement. There have also been multiple smaller gains throughout the county, as evidenced by the decreasing rate of unemployment.
- ❖ Williamsburg County currently has 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 2014/2015 are comparable to 2013/2014.

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 County Director of Finance, P.O. Box 330, Kingstree, SC 29556.

BASIC FINANCIAL STATEMENTS

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2014

	PRIMARY GOVERNMENT			COMPONENT UNIT	
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL
	ACTIVITIES	ACTIVITIES	TOTAL		UNIT
ASSETS					
Cash	\$ 3,329,158	\$ 588,570	\$ 3,917,728	\$ 158,330	
Investments	0	1,314,515	1,314,515	0	
Accounts Receivable (Net of Allowance for Uncollectibles)	6,297,399	486,534	6,783,933	84,074	
Internal Balances	187,226	(187,226)	0	0	
Inventories	51,846	90,397	142,243	0	
Temporarily Restricted Assets:					
Cash and Investments	4,469,877	250,204	4,720,081	0	
Capital Assets (Net of Accumulated Depreciation):					
Land	1,829,225	148,000	1,977,225	0	
Construction in Progress	0	45,886	45,886	0	
Land Improvements	3,597,394	0	3,597,394	0	
Roads & Bridges	3,629,535	0	3,629,535	0	
Buildings	24,079,923	4,752	24,084,675	0	
Building Improvements	5,703,160	26,990	5,730,150	0	
Leasehold Improvements	180,987	0	180,987	0	
Water & Wastewater System	0	44,799,909	44,799,909	0	
Furniture & Fixtures	635,400	0	635,400	13,000	
Machinery & Equipment	1,672,666	118,901	1,791,567	0	
Automotive Equipment	2,624,555	1,190,668	3,815,223	14,663	
Communication Equipment	708,557	0	708,557	0	
TOTAL ASSETS	\$ 58,996,908	\$ 48,878,100	\$ 107,875,008	\$ 270,067	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding Bonds	108,377	0	108,377	0	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 108,377	\$ 0	\$ 108,377	\$ 0	
LIABILITIES					
Accounts Payable & Retainage Payable	6,400,404	639,614	7,040,018	8,167	
Due to Others	1,444,533	0	1,444,533	0	
Accrued Interest Payable	165,826	192,076	357,902	0	
Accrued Salaries and Related Fringes	950,722	51,052	1,001,774	12,255	
Customer Deposits	0	11,856	11,856	0	
Unearned Revenue	262,209	0	262,209	0	
Noncurrent Liabilities:					
Due Within One Year	3,065,176	311,904	3,377,080	21,205	
Due In More Than One Year	40,414,912	19,471,523	59,886,435	0	
TOTAL LIABILITIES	\$ 52,703,782	\$ 20,678,025	\$ 73,381,807	\$ 41,627	
NET POSITION					
Net Investment in Capital Assets	8,622,733	26,721,607	35,344,340	27,663	
Restricted For:					
Public Safety	144,088	0	144,088	0	
General Government	50,079	0	50,079	0	
Environmental Services	1,257,111	0	1,257,111	0	
Economic Development	846,130	0	846,130	0	
Health & Human Services	210,958	0	210,958	0	
Debt Service	1,614,659	250,204	1,864,863	0	
Unrestricted	(6,344,255)	1,228,264	(5,115,991)	200,777	
TOTAL NET POSITION	\$ 6,401,503	\$ 28,200,075	\$ 34,601,578	\$ 228,440	

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION			COMPONENT UNIT	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES			TOTAL
Primary Government:									
Governmental Activities:									
General Government	\$ 11,826,553	\$ 522,972	629,324	0	\$ (10,674,257)	\$ 0	\$ (10,674,257)	\$ 0	
Public Safety	6,851,685	718,242	883,472	49,900	(5,200,071)	0	(5,200,071)	0	
Public Works	1,795,081	0	1,468,593	1,676,397	1,349,909	0	1,349,909	0	
Health & Human Services	2,713,572	957,423	1,217,949	0	(538,200)	0	(538,200)	0	
Economic Development	1,042,299	0	408,483	0	(633,816)	0	(633,816)	0	
Cultural & Recreation	702,538	36,841	24,188	0	(641,509)	0	(641,509)	0	
Environmental Services	813,945	11,370	13,232	0	(789,343)	0	(789,343)	0	
Agency Contributions	71,446	0	0	0	(71,446)	0	(71,446)	0	
Interest and Other Charges	2,176,956	0	0	0	(2,176,956)	0	(2,176,956)	0	
Total Governmental Activities	\$ 27,994,075	\$ 2,246,848	\$ 4,645,241	\$ 1,726,297	\$ (19,375,689)	\$ 0	\$ (19,375,689)	\$ 0	
Business-Type Activities:									
Water & Sewer Fund	2,146,035	1,350,318	0	2,795,869	0	2,000,152	2,000,152	0	
Williamsburg County Transit System	2,560,903	1,049,397	727,612	137,819	0	(646,075)	(646,075)	0	
E 911 Fund	28,688	0	0	0	0	(28,688)	(28,688)	0	
Total Business-Type Activities	\$ 4,735,626	\$ 2,399,715	\$ 727,612	\$ 2,933,688	\$ 0	\$ 1,325,389	\$ 1,325,389	\$ 0	
Total Primary Government	\$ 32,729,701	\$ 4,646,563	\$ 5,372,853	\$ 4,659,985	\$ (19,375,689)	\$ 1,325,389	\$ (18,050,300)	\$ 0	
Component Unit									
Williamsburg County Library	\$ 523,005	\$ 25,520	\$ 77,375	\$ 0			\$ (420,110)		
Total Component Unit	\$ 523,005	\$ 25,520	\$ 77,375	\$ 0			\$ (420,110)		
GENERAL REVENUES									
Taxes Levied for General Purposes					\$ 9,632,566	\$ 0	\$ 9,632,566	\$ 0	
Taxes Levied For Debt Services					2,867,484	0	2,867,484	0	
Contributions from Primary Government					0	0	0	408,220	
Road User Fees					930,198	0	930,198	0	
Solid Waste Fees					1,532,236	0	1,532,236	0	
Landfill Closure Fee					479,246	0	479,246	0	
Local Option Sales Tax					1,913,324	0	1,913,324	0	
Local Government Fund					1,271,572	0	1,271,572	0	
State Shared Taxes					1,635,151	0	1,635,151	0	
Interest					70,193	734	70,927	103	
Miscellaneous Revenue					143,123	3,131	146,254	0	
Transfers					(232,174)	232,174	0	0	
Special Item (Note 26)					(175,572)	175,572	0	0	
Extraordinary Item (Note 26)					(4,530,334)	0	(4,530,334)	0	
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					\$ 15,537,013	\$ 411,611	\$ 15,948,624	\$ 408,323	
CHANGES IN NET POSITION					\$ (3,838,676)	\$ 1,737,000	\$ (2,101,676)	\$ (11,787)	
NET POSITION, Beginning of Year (As Restated - Note 24)					10,240,179	26,463,075	36,703,254	240,227	
NET POSITION, End of Year					6,401,503	28,200,075	34,601,578	228,440	

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 1,956,144	\$ 213,132	\$ 697,086	\$ 636	\$ 117	\$ 462,043	\$ 3,329,158
Cash Restricted	129,050	0	0	0	2,755,581	1,585,246	4,469,877
Court Fines Receivable	97,698	0	0	0	0	0	97,698
(Net of Allowance)	76,667	13,376	0	0	36,594	0	126,637
Due from Others	1,340,018	116,159	0	283,674	303,076	125,170	2,168,097
Taxes Receivable (Net of Allowance)	875,623	0	190,973	1,121,846	16,342	468,927	2,673,711
Other Receivables	1,231,256	0	0	0	0	0	1,231,256
Due from State Government	0	0	0	51,846	0	0	51,846
Inventory	2,402,083	0	0	0	0	0	2,402,083
Due from Other Funds	8,108,539	342,667	888,059	1,458,002	3,111,710	2,641,386	16,550,363
TOTAL ASSETS	\$ 8,108,539	\$ 342,667	\$ 888,059	\$ 1,458,002	\$ 3,111,710	\$ 2,641,386	\$ 16,550,363
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
LIABILITIES							
Accounts Payable & Retainage Payable	1,749,121	42,353	32,120	4,552,126	0	24,684	6,400,404
Due to Other Funds	0	68,764	41,642	448,744	1,497,051	158,656	2,214,857
Due to Others	1,444,533	0	0	0	0	0	1,444,533
Accrued Wages & Benefits Payable	811,175	21,071	36,826	48,389	0	33,261	950,722
Unearned Revenue	20	0	262,189	0	0	0	262,209
TOTAL LIABILITIES	\$ 4,004,849	\$ 132,188	\$ 372,777	\$ 5,049,259	\$ 1,497,051	\$ 216,601	\$ 11,272,725
Deferred Inflows of Resources	715,358	80,430	0	0	213,217	0	1,009,005
Unavailable Property Taxes	305,951	0	0	142,209	0	110,847	559,007
Unavailable Fees	40,979	0	0	0	0	0	40,979
Unavailable Court Fines	95,341	0	119,275	1,120,576	0	0	1,335,192
Unavailable Grant Funds	241,846	0	0	0	0	0	241,846
Unavailable Ambulance Fees	1,399,475	80,430	119,275	1,262,785	213,217	110,847	3,186,029
Total Deferred Inflows of Resources	\$ 1,399,475	\$ 80,430	\$ 119,275	\$ 1,262,785	\$ 213,217	\$ 110,847	\$ 3,186,029
FUND BALANCE							
Nonspendable:	0	0	0	51,846	0	0	51,846
Inventory	644	130,049	13,395	0	0	5,606	149,694
Restricted for:	50,079	0	0	0	0	0	50,079
Public Safety	0	0	0	0	1,401,442	0	1,401,442
General Government	0	0	0	0	0	250,434	250,434
Debt Service	0	0	0	0	0	210,958	210,958
Capital Projects	0	0	0	0	0	1,257,111	1,257,111
Health & Human Services	0	0	256,301	0	0	589,829	846,130
Environmental Services	0	0	126,311	0	0	126,311	252,622
Economic Development	0	0	0	(4,905,888)	0	0	(4,905,888)
Public Works	2,653,492	0	0	(4,854,042)	1,401,442	2,313,938	2,091,609
Unassigned	2,704,215	130,049	396,007	(4,854,042)	1,401,442	2,313,938	2,091,609
TOTAL FUND BALANCE	\$ 2,704,215	\$ 130,049	\$ 396,007	\$ (4,854,042)	\$ 1,401,442	\$ 2,313,938	\$ 2,091,609
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 8,108,539	\$ 342,667	\$ 888,059	\$ 1,458,002	\$ 3,111,710	\$ 2,641,386	\$ 16,550,363

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

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

Ending fund balances - governmental funds balance sheet	\$ 2,091,609
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	44,661,402
Other long-term assets, such as property taxes, court fines, ambulance fees, road user fees, landfill fees, and solid waste fess, are not available to pay for current expenditures, and, therefore, are deferred in the funds.	3,186,029
Long-term liabilities, including bonds payable (net of premiums and discounts), 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>(43,537,537)</u>
Net position of governmental activities	<u><u>\$ 6,401,503</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	ROAD & BRIGDES FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 11,411,871	\$ 963,691	\$ 0	\$ 0	\$ 2,808,088	\$ 561,810	\$ 15,745,460
Fees, Licenses & Permits	86,879	0	0	843,514	0	473,428	1,403,821
Intergovernmental Revenue	1,930,865	86,238	2,686,008	0	0	956,884	5,659,995
Charges for Services	3,240,925	0	0	0	0	175,917	3,416,842
Fines & Forfeitures	537,503	0	0	0	0	0	537,503
Miscellaneous Revenues	449,711	11,793	0	8	66,625	53,233	581,370
TOTAL REVENUES	\$ 17,657,754	\$ 1,061,722	\$ 2,686,008	\$ 843,522	\$ 2,874,713	\$ 2,221,272	\$ 27,344,991
EXPENDITURES							
Current:							
General Government	11,368,396	0	25,830	0	0	18,155	11,412,381
Public Safety	4,445,687	1,112,649	139,101	0	0	27,107	5,724,544
Public Works	0	0	123,367	988,221	0	0	1,111,588
Health and Human Services	1,539,449	0	364,979	0	0	682,984	2,587,412
Cultural and Recreational	545,099	0	21,249	0	0	0	566,348
Economic Development	142,925	0	234,880	0	0	384,927	762,732
Environmental Services	274,553	0	50,187	0	0	396,101	720,841
Other	71,446	0	0	0	0	71,446	71,446
Capital Outlay:							
General Government	37,351	0	0	0	0	18,771	56,122
Public Safety	49,893	124,875	26,258	0	0	732,138	933,164
Public Works	0	0	1,577,202	0	0	0	1,577,202
Health & Human Services	250,288	0	0	0	0	0	250,288
Environmental Services	27,467	0	0	0	0	0	27,467
Debt Service:							
Principal	36,690	0	0	0	1,974,257	4,122	2,015,069
Interest	41,980	0	0	0	2,089,420	3,056	2,134,456
Bond Issuance Costs and Trustee Fees	17,000	0	0	0	16,723	0	33,723
TOTAL EXPENDITURES	\$ 18,848,224	\$ 1,237,524	\$ 2,563,053	\$ 988,221	\$ 4,080,400	\$ 2,267,361	\$ 29,984,783
EXCESS REVENUES OVER EXPENDITURES	\$ (1,190,470)	\$ (175,802)	\$ 122,955	\$ (144,699)	\$ (1,205,687)	\$ (46,089)	\$ (2,639,792)
OTHER FINANCING SOURCES (USES)							
Transfers In	0	49,411	0	0	389,663	185,511	624,585
Transfers (Out)	(415,463)	0	0	(101,902)	(51,633)	(287,761)	(856,759)
Bond Proceeds	0	50,000	0	0	320,000	0	370,000
Lease Purchase Proceeds	265,000	0	0	0	0	0	265,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (150,463)	\$ 99,411	\$ 0	\$ (101,902)	\$ 658,030	\$ (102,250)	\$ 402,826
SPECIAL ITEMS & EXTRAORDINARY ITEMS							
Contribution From (To) E911	(692,831)	0	0	0	0	0	(692,831)
Winter Storm Pax Debris Removal	0	0	0	(4,530,334)	0	0	(4,530,334)
TOTAL SPECIAL ITEMS & EXTRAORDINARY ITEMS (SEE NOTE 26)	\$ (692,831)	\$ 0	\$ 0	\$ (4,530,334)	\$ 0	\$ 0	\$ (5,223,165)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (2,033,764)	\$ (76,391)	\$ 122,955	\$ (4,776,935)	\$ (547,657)	\$ (148,339)	\$ (7,460,131)
FUND BALANCE, Beginning of Year	4,737,979	206,440	273,052	(77,107)	1,949,099	2,462,277	9,551,740
FUND BALANCE, End of Year	\$ 2,704,215	\$ 130,049	\$ 396,007	\$ (4,854,042)	\$ 1,401,442	\$ 2,313,938	\$ 2,091,609

The Accompanying Notes are an Integral Part of this Statement

**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, 2014**

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

Net change in fund balances - total governmental funds	\$ (7,460,131)
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 was exceeded by depreciation expense in the current period.	(37,961)
Revenues in the statement of activities, such as property taxes, ambulance fees, court fines, road user fees, landfill fees, and solid waste fees 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.	1,748,488
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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,145,258
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 position differs from the change in fund balance by the book value of the capital assets sold.	(20,650)
Donated capital assets are recorded on the statement of activities but do not appear in the governmental funds because they do not provide financial resources.	724,451
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>61,869</u>
Change in net position of governmental activities	\$ <u><u>(3,838,676)</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 169,382	\$ 419,188	\$ 0	\$ 588,570
Investments	0	1,314,515	0	1,314,515
Restricted Cash & Investments	250,204	0	0	250,204
Inventory	32,808	57,589	0	90,397
Accounts Receivable, Net of Allowance	156,814	68,629	0	225,443
Receivable - Other	95,248	165,843	0	261,091
TOTAL CURRENT ASSETS	\$ 704,456	\$ 2,025,764	\$ 0	\$ 2,730,220
PROPERTY, PLANT, AND EQUIPMENT				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	45,886	0	0	45,886
Water & Sewer System	50,161,325	0	0	50,161,325
Machinery and Equipment	0	290,808	0	290,808
Vehicles	48,499	3,573,307	0	3,621,806
Buildings	0	172,099	0	172,099
Building Improvements	0	29,062	0	29,062
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(5,386,329)	(2,760,995)	0	(8,147,324)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 44,989,381	\$ 1,345,725	\$ 0	\$ 46,335,106
TOTAL ASSETS	\$ 45,693,837	\$ 3,371,489	\$ 0	\$ 49,065,326

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
LIABILITIES				
SHORT-TERM LIABILITIES				
Accounts Payable	\$ 391,365	\$ 81,515	\$ 0	\$ 472,880
Salaries & Accrued Benefits	6,471	44,581	0	51,052
Retainage Payable	166,734	0	0	166,734
Due to Other Funds	2,744	184,482	0	187,226
Compensated Absences Payable	3,316	26,089	0	29,405
Bonds Payable - RDA	282,499	0	0	282,499
Accrued Interest Payable	192,076	0	0	192,076
Customer Deposits	11,856	0	0	11,856
TOTAL SHORT-TERM LIABILITIES	\$ 1,057,061	\$ 336,667	\$ 0	\$ 1,393,728
LONG-TERM LIABILITIES				
Compensated Absences Payable	3,316	13,289	0	16,605
OPEB Liability	0	123,918	0	123,918
Bonds Payable - RDA	19,331,000	0	0	19,331,000
TOTAL LONG-TERM LIABILITIES	\$ 19,334,316	\$ 137,207	\$ 0	\$ 19,471,523
TOTAL LIABILITIES	\$ 20,391,377	\$ 473,874	\$ 0	\$ 20,865,251
NET POSITION				
Net Investment in				
Capital Assets	25,375,882	1,345,725	0	26,721,607
Restricted for Debt Service	250,204	0	0	250,204
Unrestricted	(323,626)	1,551,890	0	1,228,264
TOTAL NET POSITION	\$ 25,302,460	\$ 2,897,615	\$ 0	\$ 28,200,075

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 1,350,318	\$ 1,049,397	\$ 0	\$ 2,399,715
TOTAL OPERATING REVENUES	\$ 1,350,318	\$ 1,049,397	\$ 0	\$ 2,399,715
OPERATING EXPENSES				
Cost of Sales & Services	598,117	812,748	0	1,410,865
Personnel & Benefits	171,188	1,171,589	0	1,342,777
Administration	46,013	185,720	0	231,733
Depreciation	820,791	389,566	0	1,210,357
TOTAL OPERATING EXPENSES	\$ 1,636,109	\$ 2,559,623	\$ 0	\$ 4,195,732
OPERATING INCOME (LOSS)	\$ (285,791)	\$ (1,510,226)	\$ 0	\$ (1,796,017)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	79	655	0	734
Interest Expense	(509,926)	0	0	(509,926)
RDA Grant	2,795,869	0	0	2,795,869
Insurance Proceeds	0	3,131	0	3,131
Loss on Disposal of Capital Assets	0	(1,280)	(28,688)	(29,968)
Government Subsidies	0	865,431	0	865,431
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 2,286,022	\$ 867,937	\$ (28,688)	\$ 3,125,271
INCOME (LOSS) BEFORE TRANSFERS	\$ 2,000,231	\$ (642,289)	\$ (28,688)	\$ 1,329,254
TRANSFERS				
Transfers In	0	232,174	0	232,174
TOTAL TRANSFERS	\$ 0	\$ 232,174	\$ 0	\$ 232,174

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
SPECIAL ITEM				
Contribution from General Fund	\$ 0	\$ 0	\$ 175,572	\$ 175,572
CHANGE IN NET POSITION	\$ 2,000,231	\$ (410,115)	\$ 146,884	\$ 1,737,000
NET POSITION, Beginning of Year	<u>23,302,229</u>	<u>3,307,730</u>	<u>(146,884)</u>	<u>26,463,075</u>
NET POSITION, End of Year	<u><u>\$ 25,302,460</u></u>	<u><u>\$ 2,897,615</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 28,200,075</u></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, 2014

	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	\$ 1,264,452	\$ 888,271	\$ 89,342	\$ 2,242,065
Cash Payments to Suppliers for Goods and Services	(852,762)	(903,134)	(138)	(1,756,034)
Cash Payments to and for Employee's Benefit	(168,436)	(1,185,044)	0	(1,353,480)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 243,254	\$ (1,199,907)	\$ 89,204	\$ (867,449)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	0	725,698	0	725,698
Payments Made to Other Funds	0	0	(172,401)	(172,401)
Payments Received from Other Funds	0	232,174	0	232,174
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 0	\$ 957,872	\$ (172,401)	\$ 785,471
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants Received	2,795,869	235,061	0	3,030,930
Insurance Proceeds - Equipment Damage	0	3,131	0	3,131
Property, Plant and Equipment Additions	(2,510,791)	(73,188)	0	(2,583,979)
Principal Payment Revenue Bonds	(125,533)	0	0	(125,533)
Interest Paid	(527,906)	0	0	(527,906)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (368,361)	\$ 165,004	\$ 0	\$ (203,357)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	0	(655)	0	(655)
Interest Received	79	655	0	734
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 79	\$ 0	\$ 0	\$ 79
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (125,028)	\$ (77,031)	\$ (83,197)	\$ (285,256)

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, 2014

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
CASH AND CASH EQUIVALENTS,				
Beginning of Year	\$ 544,614	\$ 496,219	\$ 83,197	\$ 1,124,030
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 419,586</u>	<u>\$ 419,188</u>	<u>\$ 0</u>	<u>\$ 838,774</u>
Cash	169,382	419,188	0	588,570
Cash Restricted	<u>250,204</u>	<u>0</u>	<u>0</u>	<u>250,204</u>
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 419,586</u>	<u>\$ 419,188</u>	<u>\$ 0</u>	<u>\$ 838,774</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (285,791)	\$ (1,510,226)	\$ 0	\$ (1,796,017)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	820,791	389,566	0	1,210,357
(Increase) Decrease in Accounts and Other Operating Receivables	(98,393)	(161,127)	89,342	(170,178)
(Increase) Decrease in Inventory	(1,375)	(30,697)	0	(32,072)
Increase (Decrease) in Due to General Fund	(35,840)	92,649	0	56,809
Increase (Decrease) in Accounts Payable	(132,633)	33,383	(138)	(99,388)
Increase (Decrease) in Salaries and Compensated Absences Payable	2,752	(13,455)	0	(10,703)
Increase (Decrease) in Customer Deposits	<u>(26,257)</u>	<u>0</u>	<u>0</u>	<u>(26,257)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 243,254</u>	<u>\$ (1,199,907)</u>	<u>\$ 89,204</u>	<u>\$ (867,449)</u>
NON CASH CAPITAL AND FINANCING ACTIVITIES				
Loss on Disposal of Capital Assets	\$ 0	\$ (1,279)	\$ (28,688)	\$ (29,967)
Capital Assets Transferred to General Fund	0	0	(724,451)	(724,451)
General Fund Forgiveness of Debt	0	0	692,831	692,831
Liabilities Transferred to General Fund	0	0	207,192	207,192
	<u>\$ 0</u>	<u>\$ (1,279)</u>	<u>\$ 146,884</u>	<u>\$ (29,967)</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 2,841,313	\$ 186,811	\$ 3,028,124
Note Receivable, Net of Allowance	<u>0</u>	<u>658,179</u>	<u>658,179</u>
TOTAL ASSETS	\$ <u>2,841,313</u>	\$ <u>844,990</u>	\$ <u>3,686,303</u>
LIABILITIES			
Due to Other Taxing Units	1,794,723	0	1,794,723
Due to Estate & Trust Beneficiaries	245,218	0	245,218
Due to Others	129,899	0	129,899
Due to Bidders & Redeemers of Land Sales	534,949	0	534,949
Due to Fine Recipients and Bond Payors	82,426	0	82,426
Due to Support Recipients	6,291	0	6,291
Due to Seized Asset Recipient	<u>47,807</u>	<u>0</u>	<u>47,807</u>
TOTAL LIABILITIES	\$ <u>2,841,313</u>	\$ <u>0</u>	\$ <u>2,841,313</u>
NET POSITION			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 844,990</u>	<u>\$ 844,990</u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	REVOLVING LOAN TRUST FUND
ADDITIONS	
Interest Income	\$ <u>4,968</u>
TOTAL ADDITIONS	\$ <u>4,968</u>
 DEDUCTIONS	
Program Expenses	<u>0</u>
TOTAL DEDUCTIONS	\$ <u>0</u>
 CHANGE IN NET POSITION	 \$ 4,968
NET POSITION, Beginning of Year	<u>840,022</u>
NET POSITION, End of Year	<u><u>\$ 844,990</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, 2014**

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.

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 aforementioned 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*.

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

The County implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the current year. This statement defines which assets and liabilities are to be reported as deferred outflows and inflows of resources and identifies items previously reported as assets and liabilities that should be recognized as revenues, expenses or expenditures when incurred and not reported in the statement of net position or balance sheet. The implementation of this statement requires the restatement of beginning net position for bond issuance cost previously capitalized.

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Roads and Bridges Fund: The road and bridges fund is used to account for the transactions financed by the road user fee tax levy. The fund accounts for repairs, maintenance and improvements to County roads.

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

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.

E911 Fund: The E911 fund was used to account for the cost of providing emergency services to the citizens of Williamsburg County. This fund was discontinued in 2014 and the activities were included in the general fund.

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.

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 and the revenues received for operating the Williamsburg County Transit System. 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 collaterally secured, 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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 nonspendable fund balance 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. The business-type activities inventories on hand at June 30, 2014 consist of gasoline, diesel fuel, operating supplies and parts needed for repairs.

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Unearned Revenues

Unearned 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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position. Bond premiums and discounts 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 and discount. Deferred loss on refunding is reported as deferred outflow of resources and amortized over the life of bonds.

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 Position/Fund Balances

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

Net Investment in Capital Assets: 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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Unrestricted Net Position: Unrestricted net position 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.

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, 2014, the County's bank balance was \$10,627,069 with a carrying value of \$9,700,786. The bank balance of \$10,627,069 was insured and collateralized with investments held in the County's name.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

As of June 30, 2014, 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	\$ 934,213	<1
Wells Fargo Money Market	Unrated	1,306,850	<1
Build America Bonds, Series A	AA	1,033,570	>10
		<u>\$ 3,274,633</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.

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 County 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	\$ 8,260,367
Restricted Cash and Investments	4,720,081
Total Cash and Investments	<u>\$ 12,980,448</u>
Petty Cash	\$ 5,029
Deposits Carrying Value	9,700,786
Investments	3,274,633
Total Cash and Investments	<u>\$ 12,980,448</u>

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$158,330, which were insured by the Federal Depositors Insurance Corporation.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 3 - RECEIVABLES

Receivables at June 30, 2014 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 2,168,097	\$ 0	\$ 2,168,097
Accounts Receivable, Net	0	225,443	225,443
Due From Others	126,637	0	126,637
Due From State Government	1,231,256	0	1,231,256
Court Fines Receivable, Net	97,698	0	97,698
Other Receivables	<u>2,673,711</u>	<u>261,091</u>	<u>2,934,802</u>
 Total Receivables	 <u>\$ 6,297,399</u>	 <u>\$ 486,534</u>	 <u>\$ 6,783,933</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$704,815. Court fines receivable are reported net of an allowance for uncollectible fines of \$24,425 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$1,716,000. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$42,937. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$78,874.

Property taxes receivable that do not meet the availability requirement have been recorded as unavailable 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	\$	1,246,184
Debt Service Funds:		
Restricted for Debt Service		2,755,581
Lease Purchase Proceeds Restricted for Capital Purchases		129,050
Capital Projects Fund - IPRBF:		
Restricted for Capital Improvements		339,062
Total Restricted Governmental Activities	\$	<u>4,469,877</u>
 Business-Type Activities		
Water and Sewer Fund:		
Restricted for Debt Service Reserve Requirements	\$	250,204
Total Restricted Business-Type Activities	\$	<u>250,204</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 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	8,342,867	0	8,342,867	0
Total, not being Depreciated	<u>\$ 10,172,092</u>	<u>\$ 0</u>	<u>\$ 8,342,867</u>	<u>\$ 1,829,225</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 7,170,262	\$ 26,600	\$ 0	\$ 7,196,862
Road and Bridges	5,460,399	1,577,202	0	7,037,601
Buildings	23,046,057	9,094,331	0	28,133,170
Building Improvements	4,939,075	11,496	0	8,957,789
Leasehold Improvements	541,877	0	0	541,877
Furniture & Fixtures	1,756,394	384,395	0	2,140,789
Machinery & Equipment	4,273,248	93,303	0	4,366,551
Automotive Equipment	11,079,866	428,304	67,398	11,440,772
Communication Equipment	285,025	848,329	0	1,133,354
Total, being Depreciated	<u>\$ 58,552,203</u>	<u>\$ 12,463,960</u>	<u>\$ 67,398</u>	<u>\$ 70,948,765</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (3,272,793)	\$ (326,675)	\$ 0	\$ (3,599,468)
Road and Bridges	(2,999,452)	(408,614)	0	(3,408,066)
Buildings	(3,558,832)	(511,112)	0	(4,053,247)
Building Improvements	(3,037,928)	(200,004)	0	(3,254,629)
Leasehold Improvements	(338,122)	(22,768)	0	(360,890)
Furniture & Fixtures	(1,097,897)	(407,492)	0	(1,505,389)
Machinery & Equipment	(2,325,630)	(368,255)	0	(2,693,885)
Automotive Equipment	(7,961,003)	(901,962)	46,748	(8,816,217)
Communication Equipment	(137,076)	(287,721)	0	(424,797)
Total Accumulated Depreciation	<u>\$ (24,728,733)</u>	<u>\$ (3,434,603)</u>	<u>\$ 46,748</u>	<u>\$ (28,116,588)</u>
Total, being Depreciated, Net	<u>\$ 33,823,470</u>	<u>\$ 9,029,357</u>	<u>\$ (20,650)</u>	<u>\$ 42,832,177</u>
Total Governmental Activities, Net	<u>\$ 43,995,562</u>	<u>\$ 9,029,357</u>	<u>\$ 8,363,517</u>	<u>\$ 44,661,402</u>

Capital Asset additions in the governmental funds totaled \$4,121,093, and the current year depreciation expense totaled \$2,882,204. Assets totaling \$67,398 with a net book value of \$20,650 were disposed of during the year resulting in a loss of \$20,650 on disposal of capital assets. Assets totaling \$1,276,850 with accumulated depreciation of \$552,399 were contributed by the E911 enterprise fund to the general fund.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	15,698,230	0	15,652,344	45,886
Total, not being Depreciated	<u>\$ 15,846,230</u>	<u>\$ 0</u>	<u>\$ 15,652,344</u>	<u>\$ 193,886</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	194,731	0	22,632	172,099
Building Improvements	87,470	29,062	87,470	29,062
Water and Sewer System	32,549,558	17,611,767	0	50,161,325
Furniture & Fixtures	29,714	0	29,714	0
Machinery & Equipment	591,279	44,126	344,597	290,808
Automotive Equipment	3,641,365	0	19,559	3,621,806
Communication Equipment	885,770	0	885,770	0
Total, being Depreciated	<u>\$ 37,993,331</u>	<u>\$ 17,684,955</u>	<u>\$ 1,389,742</u>	<u>\$ 54,288,544</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(184,306)	(5,673)	22,632	(167,347)
Building Improvements	(58,783)	(1,073)	57,784	(2,071)
Water and Sewer System	(4,547,390)	(814,028)	0	(5,361,418)
Furniture & Fixtures	(23,770)	0	23,770	0
Machinery & Equipment	(428,822)	(35,711)	292,627	(171,906)
Automotive Equipment	(2,091,391)	(353,872)	14,125	(2,431,138)
Communication Equipment	(224,385)	0	224,385	0
Total Accumulated Depreciation	<u>\$ (7,572,291)</u>	<u>\$ (1,210,357)</u>	<u>\$ 635,324</u>	<u>\$ (8,147,324)</u>
Total, being Depreciated, Net	<u>\$ 30,421,040</u>	<u>\$ 16,474,598</u>	<u>\$ 754,418</u>	<u>\$ 46,141,220</u>
Total Business-Type Activities, Net	<u><u>\$ 46,267,270</u></u>	<u><u>\$ 16,474,598</u></u>	<u><u>\$ 16,406,762</u></u>	<u><u>\$ 46,335,106</u></u>

The capital asset additions of business-type activities totaled \$2,032,611 and depreciation expense in business-type activities totaled \$1,210,357. Assets totaling \$1,276,850 were transferred to the general fund from the E911 fund which had accumulated depreciation of \$552,399. Assets totaling \$112,892 were disposed of with net book balance of \$29,967 resulting in a net loss on disposal of assets of \$29,967.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in Progress in the Business-Type Activities totaling \$45,886 at June 30, 2014 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
Mouzon	8,913	To Be Determined	To Be Determined

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

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$ 313,263
Public Safety	1,108,953
Public Works	682,615
Health and Human Services	174,481
Economic Development	278,545
Environmental Services - Landfill	184,095
Cultural and Recreation	<u>140,252</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,882,204</u>

Business-Type Activities:

Water & Sewer Fund	\$ 820,791
Williamsburg County Transit System	<u>389,566</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,210,357</u>

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>(468,757)</u>	<u>(12,367)</u>	<u>0</u>	<u>(481,124)</u>
Net capital assets being depreciated	<u>\$ 40,030</u>	<u>\$ (12,367)</u>	<u>\$ 0</u>	<u>\$ 27,663</u>

Depreciation Expense was charged to the component unit as follows:

Cultural & Recreation	<u>\$ 12,367</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Total assets purchased under capital leases are as follows:

	Governmental Activities
Asset Cost	\$ 5,194,132
Less: Accumulated Depreciation	(2,002,776)
Totals	\$ 3,191,356

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, 2014, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,402,083	\$ 0
Rural Fire Fund	0	68,764
Federal and State Grant Fund	0	41,642
Roads and Bridges Fund	0	448,744
Other Governmental Funds	0	158,656
Debt Service Fund	0	1,497,051
Williamsburg County Transit System Fund	0	184,482
Water & Sewer	0	2,744
Totals	\$ 2,402,083	\$ 2,402,083

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 7 - CAPITAL LEASES

The County's governmental activities have eight (8) lease purchase agreements. 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, 2014, are as follows:

	Governmental Activities
2015	\$ 1,886,146
2016	222,425
2017	215,247
2018	4,653
Total Minimum Lease Payments	\$ 2,328,471
Less: Amount Representing Interest	(92,017)
Totals	\$ 2,236,454

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 4,800,000	\$ 50,000	\$ (545,000)	\$ 4,305,000	\$ 324,325
Plus Unamortized Premium	120,085	0	(9,818)	110,267	0
IPRB Facilities Corp	30,000,000	0	0	30,000,000	140,000
Less Unamortized Discount	(370,146)	0	13,583	(356,563)	0
Bond Anticipation Notes	640,000	320,000	(640,000)	320,000	320,000
Total Bonds Payable	\$ 35,189,939	\$ 370,000	\$ (1,181,235)	\$ 34,378,704	\$ 784,325
Landfill Closure Cost	5,717,514	27,777	(119,845)	5,625,446	120,000
Capital Leases	2,620,804	445,719	(830,069)	2,236,454	1,815,500
Claims and Judgments	496,752	71,702	(19,672)	548,782	0
Compensated Absences	667,218	692,764	(669,280)	690,702	345,351
Totals	\$ 44,692,227	\$ 1,607,962	\$ (2,820,101)	\$ 43,480,088	\$ 3,065,176

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 19,739,032	\$ 0	\$ (125,533)	\$ 19,613,499	\$ 282,499
Total Bonds Payable	\$ 19,739,032	\$ 0	\$ (125,533)	\$ 19,613,499	\$ 282,499
Capital Leases	180,719	0	(180,719)	0	0
Claims and Judgments	161,048	1,609	(38,739)	123,918	0
Compensated Absences	47,815	46,010	(47,815)	46,010	29,405
Totals	<u>\$ 20,128,614</u>	<u>\$ 47,619</u>	<u>\$ (392,806)</u>	<u>\$ 19,783,427</u>	<u>\$ 311,904</u>
Component Unit:	Beginning			Ending	Due Within
Williamsburg County Library	Balance	Additions	Reductions	Balance	One Year
Compensated Absences	\$ 17,624	\$ 21,205	\$ (17,624)	\$ 21,205	\$ 21,205
Totals	<u>\$ 17,624</u>	<u>\$ 21,205</u>	<u>\$ (17,624)</u>	<u>\$ 21,205</u>	<u>\$ 21,205</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 November 15, 2012, Williamsburg County issued General Obligation Refunding Bonds, Series 2012, which refunded the General Obligation Bonds of 2004. The County has recorded a deferred loss on refunding of \$126,881, which will be amortized as interest expense over the life of the bond. This is considered a current refunding.

On February 10, 2014, Williamsburg County issued the 2103A and 2013B General Obligation Bonds in the amounts of \$24,990 and \$25,010 respectively. The bonds were issued to purchase equipment for the fire department.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for obligations outstanding at June 30, 2014 are as follows:

General Obligation Refunding Bonds of 2012 (Issued 11/15/12)
Maturity Date March 1, 2020

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2015	2.00%	\$ 1,620,000	\$ 240,000	\$ 16,200	\$ 16,200	\$ 272,400
2016	2.00%	1,380,000	270,000	13,800	13,800	297,600
2017	2.00%	1,110,000	275,000	11,100	11,100	297,200
2018	2.00%	835,000	285,000	8,350	8,350	301,700
2019	2.00%	550,000	270,000	5,500	5,500	281,000
2020	2.00%	280,000	280,000	2,800	2,800	285,600
Totals			<u>\$ 1,620,000</u>	<u>\$ 57,750</u>	<u>\$ 57,750</u>	<u>\$ 1,735,500</u>

Bond Anticipation Loans (Issued 05/25/14)
Maturity Date May 31, 2015

Fiscal Year Ending	Interest Rate	Balance	Principal March 1	Interest May 31	Total Annual Payments
2015	0.88%	\$ 320,000	\$ 320,000	\$ 2,816	\$ 322,816
Totals			<u>\$ 320,000</u>	<u>\$ 2,816</u>	<u>\$ 322,816</u>

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 December 1	Interest December 1	Interest June 1	Total Annual Payments
2015	2.00%	\$ 2,635,000	\$ 75,000	\$ 47,856	\$ 47,857	\$ 170,713
2016	2.00%	2,560,000	50,000	47,106	47,106	144,212
2017	2.00%	2,510,000	50,000	46,606	46,606	143,212
2018	2.00%	2,460,000	50,000	46,075	46,075	142,150
2019	2.00%	2,410,000	70,000	45,513	45,512	161,025
2020-2024	2.00%-3.00%	2,340,000	1,525,000	182,213	182,212	1,889,425
2025-2026	3.00%-4.00%	815,000	815,000	24,600	24,600	864,200
Totals			<u>\$ 2,635,000</u>	<u>\$ 439,969</u>	<u>\$ 439,968</u>	<u>\$ 3,514,937</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

General Obligation Bond, Series 2013A (Issued 02/10/14)
Maturity February 10, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal February 10	Interest February 10	Total Annual Payments
2015	3.50%	\$ 24,990	\$ 4,661	\$ 875	5,536
2016	3.50%	20,329	4,824	712	5,536
2017	3.50%	15,505	4,993	543	5,536
2018	3.50%	10,512	5,168	368	5,536
2019	3.50%	5,344	5,344	192	5,536
Totals			<u>\$ 24,990</u>	<u>\$ 2,690</u>	<u>27,680</u>

General Obligation Bond, Series 2013B (Issued 02/10/14)
Maturity February 10, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal February 10	Interest February 10	Total Annual Payments
2015	3.50%	\$ 25,010	\$ 4,664	\$ 876	5,540
2016	3.50%	20,346	4,827	713	5,540
2017	3.50%	15,519	4,996	544	5,540
2018	3.50%	10,523	5,171	369	5,540
2019	3.50%	5,352	5,352	188	5,540
Totals			<u>\$ 25,010</u>	<u>\$ 2,690</u>	<u>27,700</u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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, 2014 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
2015	3.60%	\$ 30,000,000	\$ 140,000	\$ 966,653	\$ 964,132	\$ 2,070,785
2016	3.95%	29,860,000	375,000	964,132	956,720	2,295,852
2017	4.48%	29,485,000	465,000	956,720	946,301	2,368,021
2018	4.83%	29,020,000	510,000	946,301	933,982	2,390,283
2019	5.14%	28,510,000	555,000	933,982	919,713	2,408,695
2020-2024	5.79%-6.52%	27,955,000	3,575,000	4,418,230	4,315,061	12,308,291
2025-2029	6.52%-6.78%	24,380,000	5,045,000	3,775,184	3,610,566	12,430,750
2030-2034	6.77%	19,335,000	6,825,000	2,831,841	2,603,754	12,260,595
2035-2039	6.77%	12,510,000	8,545,000	1,565,087	1,275,582	11,385,669
2040-2041	6.77%	3,965,000	3,965,000	202,941	68,607	4,236,548
Totals			<u>\$ 30,000,000</u>	<u>\$ 17,561,071</u>	<u>\$ 16,594,418</u>	<u>\$ 64,155,489</u>

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 2013 assessed valuation of \$88,020,168 the legal debt limit is approximately \$7,041,613. At June 30, 2014, the County has general obligation bonds outstanding of \$320,000 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
2015	4.50%	\$ 419,600	\$ 7,626	\$ 18,834	\$ 26,460
2016	4.50%	411,974	7,978	18,482	26,460
2017	4.50%	403,996	8,347	18,113	26,460
2018	4.50%	395,649	8,732	17,728	26,460
2019	4.50%	386,917	9,136	17,324	26,460
2020-2024	4.50%	377,781	52,416	79,884	132,300
2025-2029	4.50%	325,365	65,699	66,601	132,300
2030-2034	4.50%	259,666	82,349	49,951	132,300
2035-2039	4.50%	177,317	103,220	29,080	132,300
2040-2042	4.50%	74,097	74,097	5,283	79,380
Totals			<u>\$ 419,600</u>	<u>\$ 321,280</u>	<u>\$ 740,880</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
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	4.50%	30,076	689	1,339	2,028
2019	4.50%	29,387	720	1,308	2,028
2020-2024	4.50%	28,667	4,129	6,011	10,140
2025-2029	4.50%	24,538	5,169	4,971	10,140
2030-2034	4.50%	19,369	6,472	3,668	10,140
2035-2039	4.50%	12,897	8,101	2,039	10,140
2040-2042	4.50%	4,796	4,796	275	5,071
Totals			<u>\$ 31,966</u>	<u>\$ 23,805</u>	<u>\$ 55,771</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2015	4.375%	\$ 1,998,590	\$ 24,302	\$ 87,190	\$ 111,492
2016	4.375%	1,974,288	25,390	86,102	111,492
2017	4.375%	1,948,898	26,526	84,966	111,492
2018	4.375%	1,922,372	27,714	83,778	111,492
2019	4.375%	1,894,658	28,954	82,538	111,492
2020-2024	4.375%	1,865,704	165,411	392,049	557,460
2025-2029	4.375%	1,700,293	205,897	351,563	557,460
2030-2034	4.375%	1,494,396	256,295	301,165	557,460
2035-2039	4.375%	1,238,101	319,023	238,437	557,460
2040-2044	4.375%	919,078	397,105	160,355	557,460
2045-2049	4.375%	521,973	494,302	63,158	557,460
2050	4.375%	27,671	27,671	202	27,873
Totals			<u>\$ 1,998,590</u>	<u>\$ 1,931,503</u>	<u>\$ 3,930,093</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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
2015	2.25%	\$ 651,353	\$ 12,386	\$ 14,050	\$ 26,436
2016	2.25%	638,967	12,659	13,777	26,436
2017	2.25%	626,308	12,937	13,499	26,436
2018	2.25%	613,371	13,221	13,215	26,436
2019	2.25%	600,150	13,512	12,924	26,436
2020-2024	2.25%	586,638	72,145	60,035	132,180
2025-2029	2.25%	514,493	80,429	51,751	132,180
2030-2034	2.25%	434,064	89,664	42,516	132,180
2035-2039	2.25%	344,400	99,959	32,222	132,181
2040-2044	2.25%	244,441	111,437	20,743	132,180
2045-2049	2.25%	133,004	124,232	7,948	132,180
2050	2.25%	8,772	8,772	39	8,811
Totals			<u>\$ 651,353</u>	<u>\$ 282,719</u>	<u>\$ 934,072</u>

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
2015	3.00%	\$ 3,438,176	\$ 56,374	\$ 99,878	\$ 156,252
2016	3.00%	3,381,802	58,047	98,205	156,252
2017	3.00%	3,323,755	59,768	96,484	156,252
2018	3.00%	3,263,987	61,541	94,711	156,252
2019	3.00%	3,202,446	63,367	92,885	156,252
2020-2024	3.00%	3,139,079	346,171	435,089	781,260
2025-2029	3.00%	2,792,908	400,654	380,606	781,260
2030-2034	3.00%	2,392,254	463,711	317,549	781,260
2035-2039	3.00%	1,928,543	536,692	244,568	781,260
2040-2044	3.00%	1,391,851	621,161	160,099	781,260
2045-2049	3.00%	770,690	718,922	62,338	781,260
2050	3.00%	51,768	51,768	316	52,084
Totals			<u>\$ 3,438,176</u>	<u>\$ 2,082,728</u>	<u>\$ 5,520,904</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Waterworks System Revenue Bonds Kingstree East Phase II Improvements (Issued 12/02/11)
Maturity December 2, 2051

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2015	2.75%	\$ 3,545,814	\$ 54,685	\$ 97,235	\$ 151,920
2016	2.75%	3,491,129	56,215	95,705	151,920
2017	2.75%	3,434,914	57,787	94,133	151,920
2018	2.75%	3,377,127	59,403	92,517	151,920
2019	2.75%	3,317,724	61,065	90,855	151,920
2020-2024	2.75%	3,256,659	331,918	427,682	759,600
2025-2029	2.75%	2,924,741	381,005	378,595	759,600
2030-2034	2.75%	2,543,736	437,351	322,249	759,600
2035-2039	2.75%	2,106,385	502,031	257,569	759,600
2040-2044	2.75%	1,604,354	576,276	183,324	759,600
2045-2049	2.75%	1,028,078	661,500	98,100	759,600
2050-2051	2.75%	366,578	366,578	13,222	379,800
Totals			<u>\$ 3,545,814</u>	<u>\$ 2,151,186</u>	<u>\$ 5,697,000</u>

Waterworks System Revenue Bonds Millwood Bloomingvale Projects, Series 2012
(Issued 08/15/12) Maturity August 15, 2052

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2015	2.50%	\$ 9,528,000	\$ 126,524	\$ 438,530	\$ 565,054
2016	2.50%	9,401,476	155,348	233,404	388,752
2017	2.50%	9,246,128	159,279	229,473	388,752
2018	2.50%	9,086,849	163,309	225,443	388,752
2019	2.50%	8,923,540	167,442	221,310	388,752
2020-2024	2.50%	8,756,098	902,946	1,040,814	1,943,760
2025-2029	2.50%	7,853,152	1,023,115	920,645	1,943,760
2030-2034	2.50%	6,830,037	1,159,277	784,483	1,943,760
2035-2039	2.50%	5,670,760	1,313,559	630,201	1,943,760
2040-2044	2.50%	4,357,201	1,488,375	455,385	1,943,760
2045-2049	2.50%	2,868,826	1,686,456	257,304	1,943,760
2050-2053	2.50%	1,182,370	1,182,370	48,678	1,231,048
Totals			<u>\$ 9,528,000</u>	<u>\$ 5,485,670</u>	<u>\$ 15,013,670</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 2,599,825	\$ 2,134,111	\$ 4,733,936	\$ 282,499	\$ 757,143	\$ 1,039,642
2016	912,062	2,059,603	2,971,665	316,267	547,073	863,340
2017	1,008,924	2,025,832	3,034,756	325,302	538,038	863,340
2018	859,947	1,989,915	2,849,862	334,609	528,731	863,340
2019	905,696	1,956,100	2,861,796	344,196	519,144	863,340
2020-2024	5,380,000	9,103,316	14,483,316	1,875,136	2,441,564	4,316,700
2025-2029	5,860,000	7,434,950	13,294,950	2,161,968	2,154,732	4,316,700
2030-2034	6,825,000	5,435,595	12,260,595	2,495,119	1,821,581	4,316,700
2035-2039	8,545,000	2,840,669	11,385,669	2,882,585	1,434,116	4,316,701
2040-2044	3,965,000	271,548	4,236,548	3,273,247	985,464	4,258,711
2045-2049	0	0	0	3,685,412	488,848	4,174,260
2050-2053	0	0	0	1,637,159	62,457	1,699,616
Totals	\$ <u>36,861,454</u>	\$ <u>35,251,639</u>	\$ <u>72,113,093</u>	\$ <u>19,613,499</u>	\$ <u>12,278,891</u>	\$ <u>31,892,390</u>

NOTE 9 - 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, 2014, 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, 2014 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, 2014. County Council approved a loan to Hemingway apparel in the amount of \$25,000 with a maturity date of December 31, 2014. County Council has approved a loan to Wastezero in the amount of \$117,546 on August 1, 2011 of which payments of \$2,004.46 began in August of 2011. The outstanding balance at June 30, 2014 on all note receivables was \$840,179 and an allowance for uncollectible receivables of \$182,000 leaving a net note receivable balance of \$658,179.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 10 - OPERATING LEASES

The County was engaged in a 20 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. 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 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:

	Transfers In	Transfers Out
General Fund	\$ 0	\$ 415,463
Rural Fire Fund	49,411	0
Debt Service Fund	389,663	51,633
Roads and Bridges Fund	0	101,902
Other Governmental Funds	185,511	287,761
Williamsburg County Transit Enterprise Fund	232,174	0
Totals	\$ 856,759	\$ 856,759

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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 7.50% of their annual compensation. The employer contribution is 10.60% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .15%.

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 7.50% of their annual compensation. The employer contribution is 12.84% 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, 2014:

Primary Government	Payroll		Contributions		
	Covered	Employee	Employer	Total	
	SCRS	\$ 7,330,797	\$ 549,810	\$ 777,065	\$ 1,326,875
PORS	3,226,020	252,920	414,221	667,141	
Totals	\$ 10,556,817	\$ 802,730	\$ 1,191,286	\$ 1,994,016	

Component Unit	Payroll		Contributions		
	Covered	Employee	Employer	Total	
	SCRS	\$ 212,934	\$ 15,930	\$ 22,571	\$ 38,501
Totals	\$ 212,934	\$ 15,930	\$ 22,571	\$ 38,501	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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	7.50% of Salary
PORS	7.84% of Salary

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

SCRS Local Government	10.45%
PORS Local Government	12.44%

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
06/30/14	\$777,065	\$414,221	100%
06/30/13	\$748,789	\$382,314	100%
06/30/12	\$637,061	\$342,524	100%

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/14	\$22,571	100%
06/30/13	\$21,816	100%
06/30/12	\$18,961	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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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.

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 \$4,236,616 as of June 30, 2014 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 \$27,777 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 \$1,388,830 has been recorded as a liability which represents 100% usage of the landfill expansion. The County is currently expanding the C&D landfill capacity.

Estimated Liability for Closure & Post Closure	Beginning			Ending	
	Balance	Additions	Retirements	Balance	
Landfill	\$ 4,356,461	\$ 0	\$ (119,845)	\$ 4,236,616	
C&D Landfill	1,361,053	27,777	0	1,388,830	
Totals	<u>\$ 5,717,514</u>	<u>\$ 27,777</u>	<u>\$ (119,845)</u>	<u>\$ 5,625,446</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 C&D landfill. The County is currently applying for a vertical expansion.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 15 – UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2014, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

Deferred Inflows of Resources	
Unavailable Tax Collections	\$1,009,005
Unavailable Fees	559,007
Unavailable Court Fines	40,979
Unavailable Ambulance Fees	241,846
Unavailable Grant Funds	<u>1,335,192</u>
	<u>\$3,186,029</u>
Unearned Revenue	
Unearned Grant Funds	<u>\$ 262,209</u>

Unavailable fees includes roads and bridges user fees of \$142,209, landfill fees of \$110,847 and solid waste fees of \$305,951 that were levied for each fund and collected with tax revenue.

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. The E-911 fund was closed and operations were reported in the general fund for 2014.

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2014:

	Water & Sewer Fund	Williamsburg County Transit System
Operating Revenues	\$ 1,350,318	\$ 1,049,397
Depreciation	820,791	389,566
Operating Income (Loss)	(285,791)	(1,510,226)
Interfund Transfers	0	232,174
Non-Operating Revenues (Expenses)	2,286,022	867,937
Change in Net Position	2,000,231	(410,115)
Property, Plant and Equipment		
Net Additions	1,138,632	(317,657)
Net Working Capital	(352,605)	1,689,097
Total Assets	45,693,837	3,371,489
Bonds and Other Long-Term Liabilities Payable		
from Revenues	19,334,316	137,207
Total Net Position	25,302,460	2,897,615

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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.

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 CLASSIFICATIONS

The following is a list of all classifications 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.

Restricted for Public Safety:

Rural Fire Funds	\$	130,049
Victim's Services		644
Sheriff's Narcotics Funds		5,606
Public Safety Grants		<u>13,395</u>
	\$	<u>149,694</u>

Restricted for General Government:

Clerk of Court Title IVD Funds	\$	<u>50,079</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>210,958</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 19 - FUND BALANCE CLASSIFICATIONS (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	\$	589,829
Grants Fund		<u>256,301</u>
	\$	<u>846,130</u>

Restricted for Public Works:

Grants Fund	\$	<u>126,311</u>
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NOTE 20 - SUBSEQUENT EVENTS

On July 1, 2014, Williamsburg County issued a Tax Anticipation Note in the amount of \$3,500,000 with a maturity date of April 15, 2015 at an interest rate of 0.68% per annum.

On February 10, 2015, the County issued \$265,000 Lease Purchase Agreement for the purchase of capital equipment.

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 June 30, 2013, 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, 2014, the County has not funded contributions to an irrevocable trust. In fiscal year 2014, the County contributes \$311 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 \$311. 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 \$34,000.

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, 2014**

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

Annual OPEB Cost and Funded Status and Funding Progress

For 2014, the annual OPEB cost (expense) was \$61,000 for the plan. The following table shows the components of the County's annual OPEB cost for 2014.

Normal Cost	\$	20,200
20 Year Amortization of Unfunded Accrued Liability		39,600
Total Annual Required Contribution (ARC)		59,800
Interest on Net OPEB Obligation		1,200
Less Net OPEB Adjustment		0
Annual OPEB Cost	\$	61,000

Contributions made included \$34,000 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, 2014, June 30, 2013 and June 30, 2012 were as follows:

Annual OPEB Cost Summary

Plan Year	BOY NOPEBO	ARC	Int.	Adj.	Total	Actual Contributions	EOY NOPEBO	Int. Rate	Amort. Period
2011-12	\$ 611,800	\$ 77,300	\$ 24,500	\$ (35,000)	\$ 66,800	\$ 48,700	\$ 629,900	4%	20
2012-13	629,900	58,500	25,200	(36,700)	47,000	19,100	657,800	4%	20
2013-14	657,800	61,000	26,300	(38,400)	48,900	34,000	672,700	4%	20

As of June 30, 2014, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$672,700, with no plan assets resulting in an unfunded accrued liability for benefits of \$672,700. The covered payroll (annual payroll of active employees covered by the plan) was \$1,271,401, and the ratio of the UAAL to the covered payroll was 51%.

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, 2014 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, 2014 was 14 years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government wide statement of net position. 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 \$44,661,402 are as follows:

Capital Assets	\$	72,777,990
Accumulated Depreciation		<u>(28,116,588)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u><u>44,661,402</u></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 unavailable in the fund financial statements.” The details of this \$3,186,029 are as follows:

Property Taxes and Fees Unavailable in Governmental Fund Statement	\$	1,009,005
Ambulance Fees Unavailable in Governmental Fund Statement		241,846
Court Fines Unavailable in Governmental Fund Statement		40,979
Unavailable Fees –Solid Waste, Landfill and Road User Fees		559,007
Unavailable Grant Funds		<u>1,335,192</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u><u>3,186,029</u></u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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

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 (\$43,537,537) are as follows:

Bonds Payable	\$	(34,625,000)
Less: Unamortized Bond Discount (to be amortized as interest expense)		356,563
Less: Deferred Loss on Refunding Bonds (to be amortized as interest expense)		108,377
Plus: Issuance Premium (to be amortized as interest expense)		(110,267)
Accrued Interest Payable		(165,826)
Capital Leases Payable		(2,236,454)
Municipal Solid Waste Landfill Closure		
Postclosure Cost Accrual		(5,625,446)
Post Employment Benefits Payable		(548,782)
Compensated Absences		(690,702)
		(690,702)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$	(43,537,537)

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 position 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 (\$37,961) are as follows:

Capital Outlay	\$	2,844,243
Depreciation Expense		(2,882,204)
		(2,882,204)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(37,961)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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

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	\$	257,097
Court Fines		(24,108)
Roads & Bridges Fees		86,684
Ambulance Fees		97,242
Landfill Fees		5,818
Solid Waste Fees		(9,437)
Intergovernmental Revenue		1,335,192
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	1,748,488

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 \$61,869 are as follows:

Compensated Absences	\$	(21,422)
Accrued Interest		4,240
Municipal Solid Waste Closure Postclosure Cost Accrual		(27,777)
Amortization of Bond Premium, Bond Discounts and Deferred Loss on Refunding		(13,017)
Municipal Solid Waste Closure Costs		119,845
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	61,869

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

**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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,145,258 are as follows:

Debt issued or incurred:	
General Obligation Bond Proceeds	\$ (370,000)
Liabilities Transferred from E-911 Fund	(207,192)
Lease Purchase Obligation Proceeds	(265,000)
Post Employment Benefits	(47,291)
Principal repayments:	
General Obligation Debt	1,185,000
Post Employment Benefits Payments	19,672
Capital Lease	<u>830,069</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,145,258</u>

NOTE 23 - ECONOMIC DEPENDENCY

Williamsburg County collects property taxes from five taxpayers which represents 18% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Santee Electric	Electric Utility	4,561,070
DSM Biosciences	Bioscience Industry	4,498,229
DART Industries	Manufacturer	3,034,773
Duke Power	Electric Utility	2,314,210
CSX Transportation, Inc.	Railroad	2,188,601

NOTE 24 - NET POSITION RESTATEMENT

The net position of the Governmental Activities has been restated for the following prior period adjustments:

Government-wide Statements:	<u>Governmental Activities</u>
Total Net Position, As Originally Reported	\$ 10,856,584
GASB 65, resulted in reclassification of beginning Net Position for Debt Issuance Costs that were previously recorded as Deferred Charges	<u>(616,405)</u>
Beginning Net Position, As Restated	<u>\$ 10,240,179</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 25 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 68 *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27* and Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*. The primary objectives of these statements are to improve accounting and financial reporting by state and local governments for pensions. These statements will become effective for the County in the 2015 fiscal year and are required to be implemented simultaneously. The County has not yet determined the impact of these statements on the financial statements.

NOTE 26 – SPECIAL ITEMS AND EXTRAORDINARY ITEMS

Special Items:

Williamsburg County reports the following special items:

Governmental Activities:

Operations of the E-911 Fund were transferred to the General Fund		
Capital Assets contributed by E-911 Fund	\$	724,451
Liabilities contributed by E-911 Fund		(207,192)
General Fund Forgiveness of Debt		(692,831)
 Total	 \$	 <u><u>(175,572)</u></u>

Business-Type Activities:

E-911 Fund Operations were transferred to the General Fund		
Capital Assets contributed to General Fund	\$	(724,451)
Liabilities contributed to General Fund		207,192
General Fund Forgiveness of Debt		692,831
 Total	 \$	 <u><u>175,572</u></u>

Governmental Funds:

General Fund:

The General Fund reports a Special Item for the Forgiveness of		
Debt of the E-911 Fund	\$	(692,831)

Extraordinary Items:

Governmental Activities and Governmental Funds

The roads and bridges fund incurred expenses that met the criteria of an extraordinary item because it was unusual in nature and infrequent in occurrence.

Winter Storm Pax Debris Removal Costs	\$	4,530,334
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The County has filed claims for reimbursements from Homeland Security Disaster grants for costs related to this storm.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 11,282,708	\$ 11,282,708	\$ 11,411,871	\$ 129,163
Fees, Licenses, & Permits	99,500	99,500	86,879	(12,621)
Fines & Forfeitures	580,500	580,500	537,503	(42,997)
Charges for Services	3,296,870	3,296,870	3,240,925	(55,945)
Intergovernmental Revenue	2,171,656	2,171,656	1,930,865	(240,791)
Other Revenues	518,296	518,296	449,711	(68,585)
TOTAL REVENUE	\$ 17,949,530	\$ 17,949,530	\$ 17,657,754	\$ (291,776)

EXPENDITURES

County Council	223,110	226,019	226,049	(30)
Supervisor's Office	572,436	578,432	603,326	(24,894)
Information Technology	251,535	251,535	203,733	47,802
Council Discretionary	45,862	38,661	37,548	1,113
County Attorney	51,439	51,439	51,049	390
Treasurer	255,189	259,916	323,440	(63,524)
Building & Grounds	474,076	479,283	548,651	(69,368)
Chavis Building	139,510	138,172	188,888	(50,716)
Community Buildings	122,000	121,997	137,435	(15,438)
Health Department	89,900	89,900	102,378	(12,478)
Auditor	227,353	228,871	206,662	22,209
Tax Assessor	459,422	459,422	424,859	34,563
Tax Collector	154,304	156,384	148,591	7,793
Probate Judge	175,659	175,659	231,157	(55,498)
Clerk of Court	723,448	723,761	840,244	(116,483)
Magistrates	568,883	571,675	645,648	(73,973)
Coroner	95,368	95,368	112,040	(16,672)
Emergency Management	229,806	231,906	203,859	28,047
Communications	683,337	683,337	846,485	(163,148)
E-911	341,975	342,975	498,496	(155,521)
Veterans Affairs Office	75,886	75,886	71,920	3,966
Department of Social Services	237,844	237,844	235,830	2,014
Aeronautics Commission	57,875	57,875	34,273	23,602
Development Board	171,071	171,071	142,925	28,146
Voter Registration	92,034	93,542	93,560	(18)
General Election Expenses	79,632	79,632	93,709	(14,077)
Solid Waste Disposal	1,463,108	1,463,108	1,300,259	162,849
Grant Administration	97,840	97,840	101,617	(3,777)
Tax Forms & Printing	35,424	35,424	32,373	3,051
Other Government	408,220	408,220	408,220	0
Employee Benefits	1,654,000	1,654,000	1,604,285	49,715
Other Expenses	615,278	602,098	562,069	40,029
Summer Intern Program	42,929	46,301	37,874	8,427

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES (continued)				
Circuit Court Judge	\$ 2,220	\$ 2,220	\$ 2,862	\$ (642)
Building Code Enforcement	162,017	162,017	177,155	(15,138)
Public Defender	31,853	31,853	31,853	0
Victim Advocates	41,373	41,373	49,270	(7,897)
Sheriff	2,125,326	2,125,326	2,519,423	(394,097)
Sheriff's Grant	0	0	11,273	(11,273)
Detention Center	1,559,413	1,559,413	1,771,168	(211,755)
Parole & Corrections	469	469	553	(84)
Solicitor's Office	94,000	94,000	94,000	0
Emergency Medical Services	1,145,140	1,145,140	1,340,262	(195,122)
Environmental Services	262,725	262,258	274,553	(12,295)
Social Service Agencies	87,764	87,764	88,904	(1,140)
Agencies	75,673	75,673	71,446	4,227
Senior Citizens	110,283	110,283	110,283	0
Recreation Department	520,567	520,767	545,099	(24,332)
Capital Outlay	303,000	303,467	364,998	(61,531)
Debt Service	94,736	82,736	78,670	4,066
Bond Issuance Costs	10,000	10,000	17,000	(7,000)
TOTAL EXPENDITURES	<u>\$ 17,542,312</u>	<u>\$ 17,542,312</u>	<u>\$ 18,848,224</u>	<u>\$ (1,305,912)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 407,218</u>	<u>\$ 407,218</u>	<u>\$ (1,190,470)</u>	<u>\$ (1,597,688)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ (809,338)	\$ (809,338)	\$ (415,463)	\$ 393,875
Lease Purchase Proceeds	402,120	402,120	265,000	(137,120)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (407,218)</u>	<u>\$ (407,218)</u>	<u>\$ (150,463)</u>	<u>\$ 256,755</u>
SPECIAL ITEMS				
Contribution to E911 Fund (Note 26)	0	0	(692,831)	(692,831)

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISION SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ <u>0</u>	\$ <u>0</u>	\$ (2,033,764)	\$ <u>(2,033,764)</u>
FUND BALANCE, Beginning of Year			<u>4,737,979</u>	
FUND BALANCE, End of Year			<u>\$ 2,704,215</u>	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 938,824	\$ 938,824	\$ 963,691	\$ 24,867
Intergovernmental Revenue	48,000	48,000	86,238	38,238
Other Revenues	1,150	1,150	11,793	10,643
TOTAL REVENUES	\$ 987,974	\$ 987,974	\$ 1,061,722	\$ 73,748
EXPENDITURES				
Public Safety:				
Current	979,974	979,974	1,112,649	(132,675)
Capital Outlay	0	0	124,875	(124,875)
TOTAL EXPENDITURES	\$ 979,974	\$ 979,974	\$ 1,237,524	\$ (257,550)
EXCESS REVENUES OVER EXPENDITURES	\$ 8,000	\$ 8,000	\$ (175,802)	\$ (183,802)
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	49,411	49,411
General Obligation Bonds	0	0	50,000	50,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 99,411	\$ 99,411
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 8,000	\$ 8,000	\$ (76,391)	\$ (84,391)
FUND BALANCE, Beginning of Year			206,440	
FUND BALANCE, End of Year			\$ 130,049	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

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 General Fund's actual expenditures of \$18,848,224 exceeded budgeted appropriations of \$17,542,312 by \$1,305,912. The expenditures were authorized by County Council provide for current financial resources,

The Rural Fire Fund's actual expenditures of \$1,237,524 exceeded budgeted appropriations of \$979,974 by \$257,550. 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, 2014**

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%
06/30/13	\$ 0	\$ 657,800	\$ 657,800	\$ 19,400	0%	\$ 1,301,883	51%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual OPEB COST	Actual Contribution	Percent Funded
Primary Government			
2012	\$ 77,300	\$ 48,700	63.0%
2013	\$ 58,500	\$ 19,100	32.6%
2014	\$ 61,000	\$ 34,000	56.0%

SUPPLEMENTAL INFORMATION

WILLIAMSBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

SPECIAL REVENUE FUNDS

	LANDFILL FUND	CAPITAL PROJECTS FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE	TOTAL
ASSETS						
Cash	3,572	0	318,018	5,606	134,847	462,043
Cash Restricted	1,246,184	339,062	0	0	0	1,585,246
Taxes Receivable	125,170	0	0	0	0	125,170
Other Receivables	28,430	3	325,436	0	115,058	468,927
TOTAL ASSETS	\$ 1,403,356	\$ 339,065	\$ 643,454	\$ 5,606	\$ 249,905	\$ 2,641,386

LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES, AND FUND BALANCE

LIABILITIES						
Accounts Payable	222	10,463	0	0	13,999	24,684
Due to Other Funds	16,750	78,168	53,625	0	10,113	158,656
Accrued Wages & Benefits Payable	18,426	0	0	0	14,835	33,261
TOTAL LIABILITIES	\$ 35,398	\$ 88,631	\$ 53,625	\$ 0	\$ 38,947	\$ 216,601

DEFERRED INFLOWS OF RESOURCES

Unavailable Fees	110,847	0	0	0	0	110,847
TOTAL DEFERRED INFLOW OF RESOURCES	\$ 110,847	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,847

FUND BALANCE

Restricted for:						
Capital Projects	0	250,434	0	0	0	250,434
Health & Human Services	0	0	0	0	210,958	210,958
Environmental Services	1,257,111	0	0	0	0	1,257,111
Public Safety	0	0	0	5,606	0	5,606
Economic Development	0	0	589,829	0	0	589,829
TOTAL FUND BALANCE	\$ 1,257,111	\$ 250,434	\$ 589,829	\$ 5,606	\$ 210,958	\$ 2,313,938

TOTAL LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND FUND BALANCE

	\$ 1,403,356	\$ 339,065	\$ 643,454	\$ 5,606	\$ 249,905	\$ 2,641,386
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WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS					WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE FUND	TOTAL
	LANDFILL FUND	CAPITAL PROJECTS FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	0		
REVENUES							
Taxes	0	0	561,810	0	0	0	561,810
Fees, Licenses & Permits	473,428	0	0	0	0	0	473,428
Charges For Services	11,370	0	0	0	164,547	0	175,917
Intergovernmental Revenue	0	575,488	0	0	381,396	0	956,884
Miscellaneous Revenues	2,780	54	25	26,250	24,124	0	53,233
TOTAL REVENUES	\$ 487,578	\$ 575,542	\$ 561,835	\$ 26,250	\$ 570,067	\$	\$ 2,221,272
EXPENDITURES							
Current:							
General Government	0	18,155	0	0	0	0	18,155
Public Safety	0	0	0	27,107	0	0	27,107
Health and Human Services	0	0	0	0	682,984	0	682,984
Environmental Services	396,101	0	0	0	0	0	396,101
Economic Development	0	0	384,927	0	0	0	384,927
Capital Outlay	0	18,771	0	0	0	0	18,771
General Government	0	732,138	0	0	0	0	732,138
Public Safety	0	0	0	0	7,178	0	7,178
Debt Service	0	0	0	0	0	0	0
TOTAL EXPENDITURES	\$ 396,101	\$ 769,064	\$ 384,927	\$ 27,107	\$ 690,162	\$	\$ 2,267,361
EXCESS REVENUES OVER EXPEDITURES	91,477	(193,522)	176,908	(857)	(120,095)	(46,089)	(46,089)
OTHER FINANCING SOURCES (USES)							
Transfers In	0	2,222	0	0	183,289	0	185,511
Transfers (Out)	0	(287,761)	0	0	0	0	(287,761)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$(285,539)	\$	\$ 0	\$ 183,289	\$	\$(102,250)
EXCESS REVENUES OVER EXPEDITURES AND OTHER FINANCING SOURCES (USES)	\$ 91,477	\$(479,061)	\$ 176,908	\$(857)	\$ 63,194	\$	\$(148,339)
FUND BALANCE, Beginning of Year	1,165,634	729,495	412,921	6,463	147,764	2,462,277	2,462,277
FUND BALANCE, End of Year	\$ 1,257,111	\$ 250,434	\$ 589,829	\$ 5,606	\$ 210,958	\$	\$ 2,313,938

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2014**

FINES AND FEES STATE PORTION

Public Defender Application Fees	\$	4,500
Marriage License Fee		2,620
Circuit/Family Court Motion Fees		12,429
Family/Alimony/Child Support Fees		89,146
Circuit/Family Court Fines & Fees		4,011
Circuit/Family Court Filing Fees		30,836
Circuit/Family Court Filing Fees Increase \$50		25,157
Magistrate Filing Assessment Civil - \$25		10,835
Magistrate Filing Assessment Civil - \$10		6,323
General Sessions Conditional Discharge Fee - \$350		2,915
Total State Portion Fines & Fees	\$	<u>188,772</u>

DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT

Magistrates' Court DUS DPS Pullout		7,872
General Sessions DUI Surcharge - \$100		8
Magistrates' DUI Assessment		562
Magistrates' Court DUI Surcharge		4,683
General Sessions DUI DPs Auto Fee \$40		64
Magistrates' Court DUI DPS Pullout		4,683
DUI/DUAC Breathalyzer Test Conviction Fee SLED		1,187
Total DUI Assessments State Portion	\$	<u>19,059</u>

SURCHARGES STATE PORTION

General Sessions Court Drug Surcharge		4,235
Magistrates' Court Drug Surcharge		10,442
General Sessions Law Enforcement Surcharge		2,065
Magistrates' Court Law Enforcement Surcharges		54,445
General Sessions Criminal Justice Academy \$5 Surcharge		380
Magistrates Criminal Justice Academy \$5 Surcharge		10,897
Total State Portion Surcharges	\$	<u>82,464</u>

OTHER ASSESSMENTS STATE PORTION

General Sessions Court		1,837
Magistrates' Court		160,245
Total Other Assessments State Portion	\$	<u>162,082</u>

VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION

General Sessions Court		625
Magistrates' Court		20,139
Total Assessments County Portion	\$	<u>20,764</u>

SURCHARGES COUNTY PORTION

General Sessions Court		6,651
Magistrates' Court		10,177
Total Surcharges County Portion	\$	<u>16,828</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER ENTERPRISE FUNDS
JUNE 30, 2014**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 87,624	\$ 81,758	\$ 169,382
Restricted Cash & Investments	240,945	9,259	250,204
Inventory	32,808	0	32,808
Accounts Receivable, Net of Allowance	121,087	35,727	156,814
Receivable - Other	1,762	93,486	95,248
TOTAL CURRENT ASSETS	<u>\$ 484,226</u>	<u>\$ 220,230</u>	<u>\$ 704,456</u>
PROPERTY, PLANT, AND EQUIPMENT			
Land	\$ 97,500	\$ 22,500	\$ 120,000
Construction in Progress	45,886	0	45,886
Water Distribution System	44,033,220	0	44,033,220
Wastewater and Wastewater Treatment System	0	6,128,105	6,128,105
Vehicles	48,499	0	48,499
Less: Accumulated Depreciation	<u>(3,673,847)</u>	<u>(1,712,482)</u>	<u>(5,386,329)</u>
NET PROPERTY, PLANT, AND EQUIPMENT	<u>\$ 40,551,258</u>	<u>\$ 4,438,123</u>	<u>\$ 44,989,381</u>
TOTAL ASSETS	<u>\$ 41,035,484</u>	<u>\$ 4,658,353</u>	<u>\$ 45,693,837</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 WATER AND SEWER ENTERPRISE FUNDS
 JUNE 30, 2014**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
LIABILITIES			
SHORT-TERM LIABILITIES			
Accounts Payable	\$ 379,493	\$ 11,872	\$ 391,365
Salaries & Accrued Benefits	1,553	4,918	6,471
Retainage Payable	166,734	0	166,734
Due to Other Funds	1,866	878	2,744
Compensated Absences Payable	796	2,520	3,316
Bonds Payable - RDA	270,113	12,386	282,499
Accrued Interest Payable	191,434	642	192,076
Customer Deposits	11,856	0	11,856
TOTAL SHORT-TERM LIABILITIES	<u>\$ 1,023,845</u>	<u>\$ 33,216</u>	<u>\$ 1,057,061</u>
LONG-TERM LIABILITIES			
Compensated Absences Payable	796	2,520	3,316
Bonds Payable - RDA	18,692,033	638,967	19,331,000
TOTAL LONG-TERM LIABILITIES	<u>\$ 18,692,829</u>	<u>\$ 641,487</u>	<u>\$ 19,334,316</u>
TOTAL LIABILITIES	<u>\$ 19,716,674</u>	<u>\$ 674,703</u>	<u>\$ 20,391,377</u>
NET POSITION			
Net Investment in			
Capital Assets	21,589,112	3,786,770	25,375,882
Restricted for Debt Service	240,945	9,259	250,204
Unrestricted	(511,247)	187,621	(323,626)
TOTAL NET POSITION	<u>\$ 21,318,810</u>	<u>\$ 3,983,650</u>	<u>\$ 25,302,460</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
OPERATING REVENUES			
Charges for Services	\$ 913,869	\$ 436,449	\$ 1,350,318
TOTAL OPERATING REVENUES	<u>\$ 913,869</u>	<u>\$ 436,449</u>	<u>\$ 1,350,318</u>
OPERATING EXPENSES			
Cost of Sales & Services	427,306	170,811	598,117
Personnel & Benefits	43,664	127,524	171,188
Administration	44,789	1,224	46,013
Depreciation	667,085	153,706	820,791
TOTAL OPERATING EXPENSES	<u>\$ 1,182,844</u>	<u>\$ 453,265</u>	<u>\$ 1,636,109</u>
OPERATING INCOME (LOSS)	<u>\$ (268,975)</u>	<u>\$ (16,816)</u>	<u>\$ (285,791)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	70	9	79
Interest Expense	(495,128)	(14,798)	(509,926)
RDA Grant	2,795,869	0	2,795,869
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 2,300,811</u>	<u>\$ (14,789)</u>	<u>\$ 2,286,022</u>
CHANGE IN NET POSITION	<u>\$ 2,031,836</u>	<u>\$ (31,605)</u>	<u>\$ 2,000,231</u>
NET POSITION, Beginning of Year	<u>19,286,974</u>	<u>4,015,255</u>	<u>23,302,229</u>
NET POSITION, End of Year	<u><u>\$ 21,318,810</u></u>	<u><u>\$ 3,983,650</u></u>	<u><u>\$ 25,302,460</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 873,749	\$ 390,703	\$ 1,264,452
Cash Payments to Suppliers for Goods and Services	(643,943)	(208,819)	(852,762)
Cash Payments to and for Employee's Benefit	(43,261)	(125,175)	(168,436)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 186,545</u>	<u>\$ 56,709</u>	<u>\$ 243,254</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grants Received	2,795,869	0	2,795,869
Property, Plant and Equipment Additions	(2,510,791)	0	(2,510,791)
Principal Payment Revenue Bonds	(113,895)	(11,638)	(125,533)
Interest Paid	(513,096)	(14,810)	(527,906)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (341,913)</u>	<u>\$ (26,448)</u>	<u>\$ (368,361)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	70	9	79
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 70</u>	<u>\$ 9</u>	<u>\$ 79</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ (155,298)</u>	<u>\$ 30,270</u>	<u>\$ (125,028)</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>\$ 483,867</u>	<u>\$ 60,747</u>	<u>\$ 544,614</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 328,569</u>	<u>\$ 91,017</u>	<u>\$ 419,586</u>
Cash	87,624	81,758	169,382
Cash Restricted	240,945	9,259	250,204
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 328,569</u>	<u>\$ 91,017</u>	<u>\$ 419,586</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 WATER AND SEWER ENTERPRISE FUND
 FOR THE YEAR ENDED JUNE 30, 2014**

	WATER FUND	SEWER FUND	WATER & SEWER FUND
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (268,975)	\$ (16,816)	\$ (285,791)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	667,085	153,706	820,791
(Increase) Decrease in Accounts and Other Operating Receivables	(40,120)	(58,273)	(98,393)
(Increase) Decrease in Inventory	(1,375)	0	(1,375)
Increase (Decrease) in Due to General Fund	(23,291)	(12,549)	(35,840)
Increase (Decrease) in Accounts Payable	(120,925)	(11,708)	(132,633)
Increase (Decrease) in Salaries and Compensated Absences Payable	403	2,349	2,752
Increase (Decrease) in Customer Deposits	(26,257)	0	(26,257)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 186,545	\$ 56,709	\$ 243,254

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<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	\$ 367,600	\$ 367,600	\$ 304,939	\$ (62,661)
Penalties	15,000	15,000	5,965	(9,035)
WasteWater (Sewer)				
Charges for Services	54,000	54,000	74,370	20,370
Lane Sewer Operations	0	0	51,175	51,175
Potable Water				
Charges for Services	1,015,200	1,015,200	795,072	(220,128)
Tap Fees	15,000	15,000	59,620	44,620
Penalties	14,000	14,000	22,170	8,170
Connection Fees	1,000	1,000	15,770	14,770
Reconnection Fees	18,000	18,000	17,983	(17)
Franchise Fees	1,240	1,240	1,740	500
Other Revenues	1,075	1,075	1,514	439
TOTAL REVENUE	\$ 1,502,115	\$ 1,502,115	\$ 1,350,318	\$ (151,797)

EXPENDITURES

Wastewater & Wastewater Treatment

Salaries	\$ 28,283	\$ 28,283	\$ 104,607	\$ (76,324)
Employee Benefits	18,629	18,629	22,919	(4,290)
Telephone	3,970	3,970	2,698	1,272
Postage	275	275	0	275
Office Supplies	1,000	1,000	0	1,000
Janitorial Supplies	150	150	0	150
Printing Supplies	75	75	0	75
Miscellaneous Expense	750	750	0	750
Property and Equipment Insurance	3,000	3,000	0	3,000
Tort Insurance	150	150	0	150
Machinery and Equipment Repairs	58,000	58,000	10,064	47,936
Electricity	135,000	135,000	35,762	99,238
Water and Sewer	4,000	4,000	1,222	2,778
Travel & Training	500	500	0	500
Membership & Dues	100	100	0	100
Independent Auditors	2,500	2,500	0	2,500
Legal Contractual Services	1,000	1,000	0	1,000
Workman's Compensation	1,183	1,183	1,224	(41)
Contractual Services O&M	107,919	107,919	68,452	39,467
Contractual Services Other	22,430	22,430	27,509	(5,079)
Lane Sewer Operations	0	0	17,735	(17,735)
Operating Permits	1,600	1,600	1,330	270
Chemical Chlorine	6,500	6,500	5,863	637
Depreciation Expense	0	0	153,706	(153,706)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISION SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Engineering	3,000	3,000	174	2,826
Lab Expense	300	300	0	300
General Expense	2,000	2,000	0	2,000
General and Admin. Expense	4,000	4,000	0	4,000
Equipment Rental	1,000	1,000	0	1,000
Computer Hardware	2,850	2,850	0	2,850
Total Wastewater & Wastewater Treatment Plant	\$ 410,164	\$ 410,164	\$ 453,265	\$ (43,101)
Potable Water				
Salaries	\$ 101,333	\$ 101,333	\$ 33,685	\$ 67,648
Employee Benefits	34,144	34,144	9,979	24,165
Telephone	570	570	1,799	(1,229)
Postage	9,000	9,000	8,764	236
Office Supplies	1,400	1,400	4,111	(2,711)
Printing Supplies	2,600	2,600	3,455	(855)
Advertising & Promotion	1,200	1,200	1,273	(73)
Miscellaneous Expense	2,500	2,500	511	1,989
Property and Equipment Insurance	3,236	3,236	1,991	1,245
Tort Insurance	150	150	0	150
Hardware Equipment	2,459	2,459	0	2,459
Machinery and Equipment Repairs	40,000	40,000	68,612	(28,612)
Electricity	50,000	50,000	135,633	(85,633)
Travel & Training	500	500	368	132
Membership & Dues	845	845	165	680
Automotive Gas & Fuel	4,000	4,000	4,085	(85)
Independent Auditors	7,400	7,400	8,000	(600)
Legal Contractual Services	500	500	3,250	(2,750)
Bank Charges Other	750	750	5,495	(4,745)
Workman's Compensation	1,268	1,268	816	452
Contractual Services O&M	182,700	182,700	159,542	23,158
Contractual Services Other	22,430	22,430	13,819	8,611
Operating Permits	10,650	10,650	12,296	(1,646)
Install Water Taps Contracted	15,000	15,000	1,794	13,206
Chemical Chlorine	15,000	15,000	28,496	(13,496)
Depreciation Expense	20,000	20,000	667,084	(647,084)
Engineering	1,000	1,000	0	1,000
Materials Water Taps	1,000	1,000	3,377	(2,377)
General Expense	1,500	1,500	4,444	(2,944)
General and Admin. Expense	1,388	1,388	0	1,388
Total Potable Water	\$ 534,523	\$ 534,523	\$ 1,182,844	\$ (648,321)
TOTAL OPERATING EXPENSES	\$ 944,687	\$ 944,687	\$ 1,636,109	\$ (691,422)
OPERATING INCOME	\$ 557,428	\$ 557,428	\$ (285,791)	\$ (843,219)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISION SCHEDULE
 WATER AND SEWER ENTERPRISE FUND
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	500	500	79	(421)
Interest Expense	(863,340)	(863,340)	(509,926)	353,414
RDA Grant	1,351,000	1,351,000	2,795,869	1,444,869
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ <u>488,160</u>	\$ <u>488,160</u>	\$ <u>2,286,022</u>	\$ <u>1,797,862</u>
CHANGE IN NET POSITION	\$ 1,045,588	\$ 1,045,588	\$ 2,000,231	\$ 954,643
NET POSITION, Beginning of Year	<u>23,302,229</u>	<u>23,302,229</u>	<u>23,302,229</u>	<u>0</u>
NET POSITION, END OF YEAR	\$ <u><u>24,347,817</u></u>	\$ <u><u>24,347,817</u></u>	\$ <u><u>25,302,460</u></u>	\$ <u><u>954,643</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

**DMT CONTRACT NUMBER - PT-41011-18
CONTRACT PERIOD - JULY 1, 2012 - JUNE 30, 2014**

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Administration						
Personnel	\$ 122,567	\$ 90,340	\$ 17,067	\$ 77,071	\$ 184,478	\$ (61,911)
Fringe Benefits	39,320	25,546	4,825	21,795	52,167	(12,847)
Professional & Technical Services	8,282	2,647	500	2,259	5,406	2,876
Contract Maintenance Services	14,484	6,129	1,158	5,229	12,516	1,968
Custodial Services	1,500	646	122	551	1,320	180
Materials & supplies	14,392	8,054	1,521	6,871	16,446	(2,054)
Utilities	27,394	14,700	2,777	12,542	30,018	(2,624)
Dues & Subscriptions	714	333	63	284	680	34
Instate Travel & Meetings	0	1,380	261	1,177	2,818	(2,818)
Out-of-State Travel & Meetings	0	1,372	259	1,170	2,801	(2,801)
Advertising & Promotion	3,162	2,077	392	1,772	4,241	(1,079)
Other Miscellaneous	6,273	1,534	290	1,309	3,133	3,140
Other Office Rentals	3,366	1,548	303	1,292	3,142	224
Operations						
Salaries	592,696	100,442	44,290	234,981	379,712	212,984
Salaries Overtime	39,600	5,074	2,237	11,869	19,180	20,420
Employee Benefits	189,556	31,712	13,983	74,188	119,883	69,673
Uniforms	16,830	1,611	711	3,770	6,092	10,738
Contract Services, Materials & Supplies	115,218	54,075	23,844	126,506	204,425	(89,207)
Fuel & Lubricants	379,164	135,785	59,874	317,665	513,324	(134,160)
Tires & Tubes	83,640	6,005	2,648	14,048	22,700	60,940
Other Services	0	1,004	443	2,348	3,794	(3,794)
Other Material & Supplies	75,531	5	2	12	19	75,512
Vehicle Leasing & Fees	1,530	292	129	684	1,105	425
Insurance Casualty & Liability	120,000	34,606	15,259	80,960	130,825	(10,825)
In State Travel & Meetings	0	1,137	501	2,660	4,298	(4,298)
Out of State Travel & Meetings	0	192	85	449	726	(726)
Out Side Containers	2,040	0	0	0	0	2,040
Portable Toilets	3,876	0	0	0	0	3,876
Drug Testing	1,530	280	124	655	1,059	471
Other Miscellaneous Operations	68,340	3,473	1,532	8,128	13,132	55,208
Leasing & Rentals	0	289	127	676	1,092	(1,092)
Capital						
Repairs & Maintenance - Spare Parts	12,500	19,652	2,457	22,017	44,126	(31,626)
Salaries and Fringe	182,000	89,910	11,239	100,729	201,878	(19,878)
Bus	210,000	0	0	0	0	210,000
Fence	5,000	3,783	473	4,238	8,493	(3,493)
Administration Building Improvements	10,000	7,517	940	8,422	16,879	(6,879)
Maintenance Facility Improvements	12,000	1,643	205	1,841	3,690	8,310
Title XIX						
Salaries	0	0	0	94,462	94,462	(61,225)
Fringe Benefits	0	0	0	23,737	23,737	(17,578)
CSR						
Salaries	0	0	0	91,932	91,932	(91,932)
Fringe Benefits	0	0	0	18,879	18,879	(18,879)
Other Operating Expenses						
Depreciation Expense	0	0	0	389,565	389,565	(389,565)
Post Employee Benefit Expense	0	0	0	(12,719)	(12,719)	12,719
Compensated Absence Expense	0	0	0	(2,000)	(2,000)	2,000
Loss on Disposal of Capital Assets	0	0	0	1,280	1,280	(1,280)
Other General Expense	0	0	0	13,357	13,357	(13,357)
	<u>\$ 2,362,505</u>	<u>\$ 654,792</u>	<u>\$ 210,639</u>	<u>\$ 1,768,661</u>	<u>\$ 2,634,091</u>	<u>\$ (271,586)</u>

Statement of Revenues, Expenditures and Changes in Fund Net Position
Capital Outlay Capitalized in Statement of Net Position

2,560,903

73,188

\$ 2,634,091

Contract Budget

\$ 1,079,724

Expended

865,431

Remaining Budget

\$ 214,293

Contract extended through September 2014

SINGLE AUDIT SECTION

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

	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	\$ 191,159
HOMELAND SECURITY			
Safer Grant	97.044	EMW-2010-FF-00389	36,338
Passed Through SCEMD			
Inoperable Communications	97.067	7SHSP51	1,418
Inoperable Communications	96.067	11SHS77	74,954
Winter Storm Pax	97.067	W-2014	11,076
LEMPG	97.042	2012LEMPG	10,449
LEMPG	97.042	2013LEMPG	48,816
ENVIROMENTAL PROTECTION AGENCY			
Brownsfield Assessment Grant	66.818	BF954627100	16,581
DEPARMENT OF TRANSPORTATION			
Passed Through State of S.C. Department of Transportation Office of Public Transportation Rural Transportation	20.509	PT-41011-18	654,793
DEPARTMENT OF JUSTICE			
Justice Assistance Grant	16.804	2013-DJ-BX-1089	11,273
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
RBEG Grant	10.769	N/A	66,850
RBOG Grant	10.769	N/A	1,449
Fire Department Equipment Grant	10.780	USDA-CF	49,900
Water & Wastewater Disposal Systems for Rural Communities:			
Millwood RDA Grant	10.760	N/A	2,795,869
Passed Through SC Dept. of Social Service Summer Feeding Program	10.559	SF-110	364,979
TOTALS			\$ 4,335,904

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014:

Rural Transportation Grants	20.509
Summer Feeding Program	10.559
Rural Development Grants and Loans	10.760

NOTE D – RURAL DEVELOPMENT OUTSTANDING LOANS

The outstanding balances of RDA loans at June 30, 2014 are as follows:

Rural Development Loan Number 8	\$ 31,966
Rural Development Loan Number 10	419,600
Rural Development Loan Number 12	1,998,590
Rural Development Loan Number 16 Lane Sewer	651,353
Rural Development Loan 14 Kingstree East I	3,438,176
Rural Development Loan 18 Kingstree East II	3,545,814
Rural Development Loan 22	<u>9,528,000</u>
	<u>\$19,613,499</u>

NOTE E – HOMELAND SECURITY DISASTER GRANTS CFDA# 97.036

Williamsburg County’s expenditure for debris removal and clean up from Winter Storm Paz totaled \$4,740,956 at June 30, 2014, of which \$11,076 were approved as of June 30, 2014. In compliance with the OMB Circular A-133, the amount included on the Schedule of Expenditures of Federal Awards equals the approved project worksheets.



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: HPM2@sc.rr.com

**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
Williamsburg County
Kingstree, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 20, 2015. Our report includes a reference to other auditors who audited the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund, as described in our report on Williamsburg County's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the County in a separate letter dated February 20, 2015.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
February 20, 2015



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: HPM2@sc.rr.com

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Williamsburg County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. 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
February 20, 2015

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified 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. No instances of non-compliance were 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 unmodified 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>CDFA Number</u>
Rural Development Water & Waste Water Improvements	10.760
Rural Transportation Grant	20.509
Summer Feeding Program	10.559

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

None Noted.

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, 2014**

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.