

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2011**

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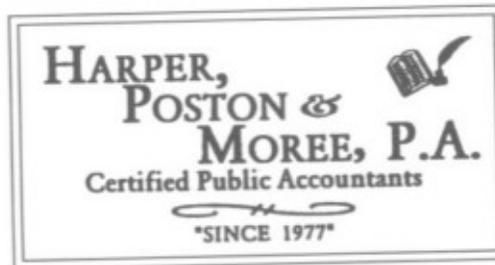
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FOR THE YEAR ENDED JUNE 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County, South Carolina as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Williamsburg County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Williamsburg County Alcohol & Drug Abuse Commission special revenue fund, which represents 12 percent and 15 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included in the other governmental fund column for the Williamsburg County Alcohol and Drug Abuse Commission is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provide a reasonable basis for our opinions.

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

As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in the current year.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012 on our consideration of Williamsburg County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 60 through 65 and the schedule of funding progress and employer contribution on page 66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

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

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

Georgetown, South Carolina
March 26, 2012

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, 2011. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2011 by \$31,936 (net assets). This is an increase of \$700 from the prior year net assets. This increase is due from the increase of grant revenues in Water and Sewer Fund and Transit Authority.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$33,314. This is an increase in fund balance from the prior year in the amount of \$24,690. \$23,549 of this increase in fund balance is from the net proceeds from the Installment Purchase Revenue Bond (IPRB) for the construction of four county essential governmental buildings. Approximately 12% or \$4,221 of the total fund balance is available for spending at the government's discretion (unreserved fund balance). This unreserved total is 26% of the total general fund expenditures.
- ❖ Williamsburg County's long-term debt increased by \$36,847 during the current fiscal year. The main component of this increase was the purchase of the Installment Purchase Revenue Bond (IPRB) of \$29,592 and of the Rural Fire Refunding Bond of \$3,185. There was a principal reduction in the general obligation bonds of \$2,626 and a reduction in capital leases in the amount of \$908. The Bond Anticipation Note purchased last year was reissued in 2011 with a principal reduction of \$240. The Water & Sewer fund had a net increase in revenue bonds of \$4,605 and an increase in capital leases of \$162.

Overview of the Financial Statements

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

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

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

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

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

The Statement of Net Assets shows the County's assets less its liabilities at June 30, 2011. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Williamsburg County can be divided into three categories: governmental, proprietary and fiduciary.

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

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

Governmental funds individually presented in Williamsburg County's statements include four major funds, the General Fund, the Rural Fire Fund, the Landfill Fund, Capital Projects Fund and the Debt Service Fund. The smaller governmental funds in Williamsburg County government are Federal and State Grant Fund, Road & Bridges Fund, Industrial Park Fund, Sheriff Special Fund and Williamsburg County Alcohol & Drug Abuse Fund. They have been presented in a total column termed as "other governmental funds". Their detail can be reviewed on pages 67 and 68.

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

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

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

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 28 through 59.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Williamsburg County, assets exceed liabilities by \$31,937 at the close of the June 30, 2011 fiscal year.

Of this amount, \$28,767 (90%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County's net assets, \$2,753 (8%) represents restrictions for Landfill Closure and Post Closure; \$2,687 (8%) represents restrictions for debt service; \$239 is restricted for public safety and \$58 is restricted for general government.

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

Williamsburg County's Net Assets June 30, 2011 (Recapped from page 14)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	38,834	13,050	1,922	1,946	40,756	14,996
Capital assets	24,512	18,552	30,965	23,993	55,477	42,545
Total assets	63,345	31,602	32,887	25,939	96,233	57,541
Long-term liabilities						
outstanding	3,825	16,201	7,142	6,093	10,967	22,294
Other liabilities	3,266	3,369	4,831	524	8,097	3,893
Total liabilities	7,091	19,570	11,973	6,617	19,064	26,187
Net Assets:						
Invested in capital assets, net of related debt	8,446	10,323	20,321	18,093	28,767	28,416
Restricted for:						
Public Safety	240	17	-	-	240	17
General Government	58	2	-	-	58	2
Landfill closure and post closure	2,753	3,441	-	-	2,753	3,441
Restricted - other	3,180	1,133	57	30	3,237	1,163
Unrestricted	(3,654)	(2,885)	535	1,200	(3,119)	(1,685)
Total net assets	11,023	12,032	20,914	19,323	31,937	31,354

Governmental activities. Governmental activities decreased the County's net assets by \$892. Of this decrease, \$145 was monies transferred to the Business-type activities for general operation.

Business-type activities. Business-type activities increased the County's net assets by \$1,591 accounting for the increase in the government's net assets. Combined increase of Net Assets is \$700.

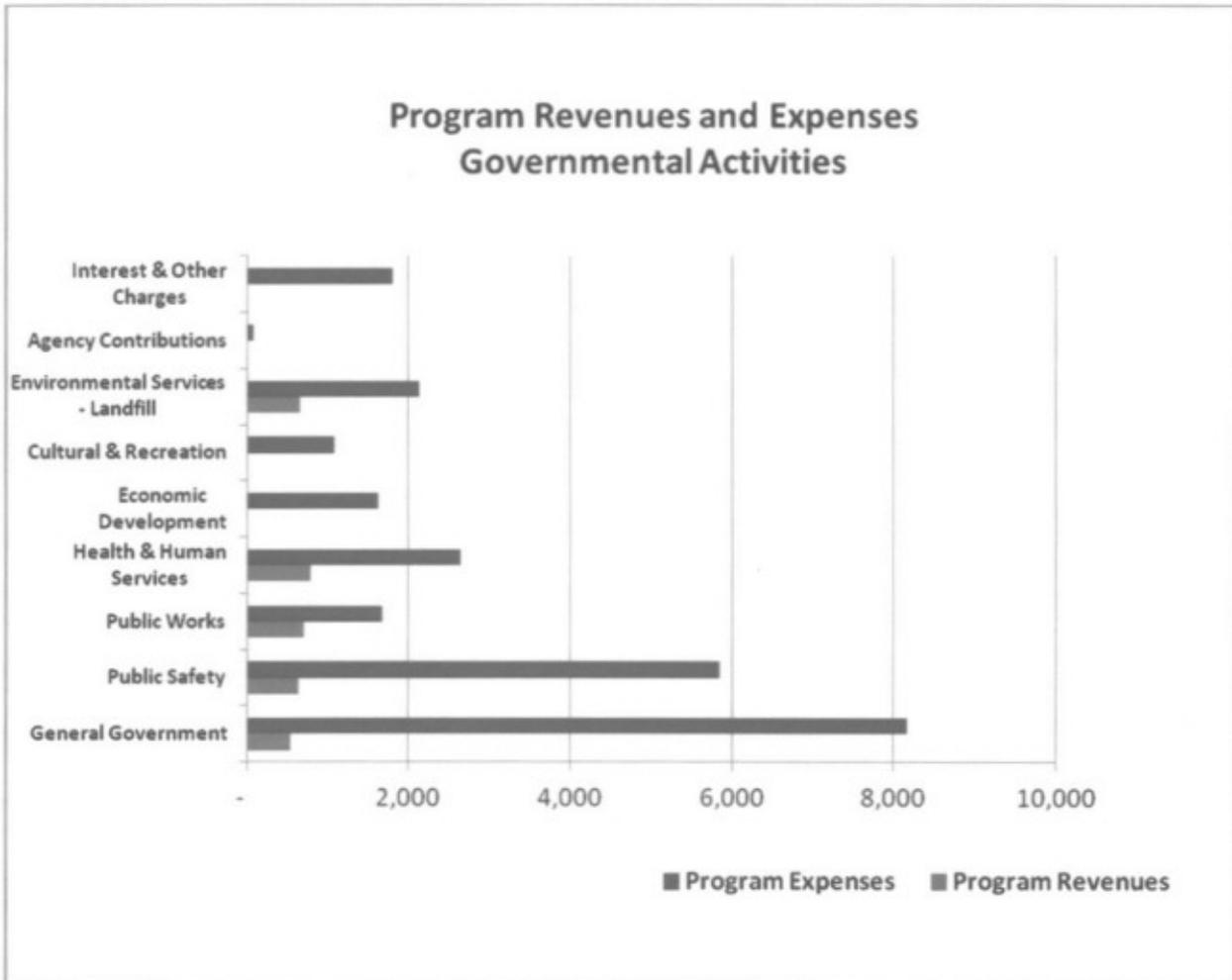
**Williamsburg County, South Carolina
Changes in Net Assets (Recapped)
For the Fiscal Year ended June 30, 2011**

Property tax revenues decreased over last year by \$165 or 2%. This decrease is primarily from the reduction in vehicle tax. This reduction has been contributed to the continued decrease in new vehicle sales over the past year. The \$317 decrease in grant revenue in the governmental fund was primarily from less activity with airport improvement grants. We received \$725 in capital grants for the Public Safety and Economic

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	3,355	3,188	2,291	2,398	5,646	5,586
Operating grants and contributions	3,561	3,991	673	560	4,234	4,551
Capital grants and contributions	725	494	2,854	3,256	3,579	3,750
General revenues:						
Property taxes	10,712	10,877	-	-	10,712	10,877
Other taxes	2,210	2,173	-	-	2,210	2,173
Local government fund	1,322	2,215	-	-	1,322	2,215
Other revenue	2,264	1,685	-	-	2,264	1,685
Investment earnings	150	50	19	36	169	86
Total Revenue	24,299	24,673	5,837	6,240	30,136	30,922
Expenses:						
Program Activities:						
Government Activities:						
General government	8,167	8,565	-	-	8,167	8,565
Public safety	5,845	5,443	-	-	5,845	5,443
Public works	1,673	2,612	-	-	1,673	2,612
Health and welfare	2,637	2,577	-	-	2,637	2,577
Economic development	1,619	1,809	-	-	1,619	1,809
Culture and recreation	1,086	662	-	-	1,086	662
Environmental services	2,152	1,950	-	-	2,132	1,950
Agency contributions	76	684	-	-	76	684
Interest and other charges	1,811	375	-	-	1,811	375
Business-type activities:						
Water and Sewer Fund	-	-	1,395	1,186	1,395	1,186
Transit System	-	-	2,364	2,175	2,364	2,175
E-911 Fund	-	-	631	1,082	631	1,082
Total Expenses	25,046	24,677	4,390	4,443	29,436	29,120
Transfers	(145)	(896)	145	896	0	-
Increase in Net Assets	(892)	(902)	1,592	2,703	700	1,801
Net Assets 07/01/2010, restated	11,915	12,817	19,322	16,619	31,237	29,436
Net Assets 06/30/2011	11,023	\$11,915	20,914	\$19,322	31,937	\$31,237

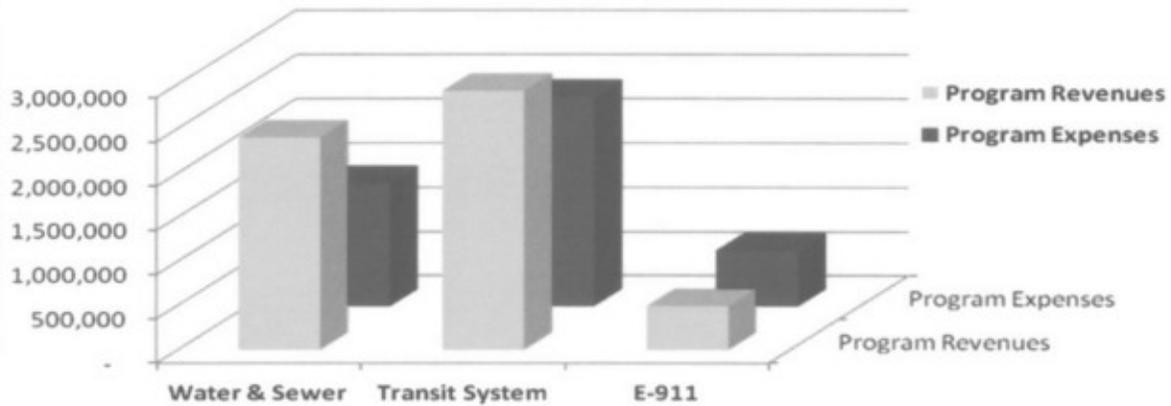
Development. Other revenue sources experienced slight decreases in the year giving the combined decrease in revenue of \$787 over last year.

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.



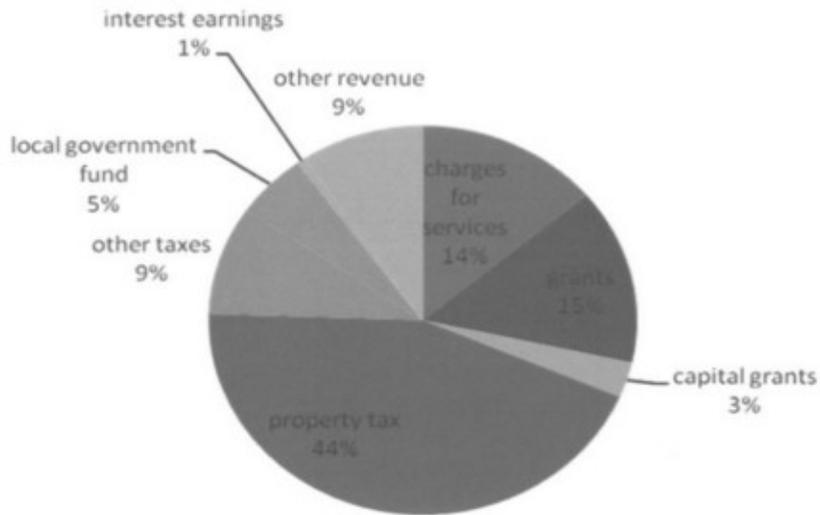
The chart above shows the governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$1,887 for 2011. Governmental Activities received \$7,641 or 30% collectively in program revenues while the program expenditures were \$25,046. This requires the remaining 70% or \$17,405 of the revenues required to meet program expenditures to come from general revenue which includes taxes. This is 1% less received in 2011 from the prior year program revenues.

Program Revenues and Expenses Business Type Activities

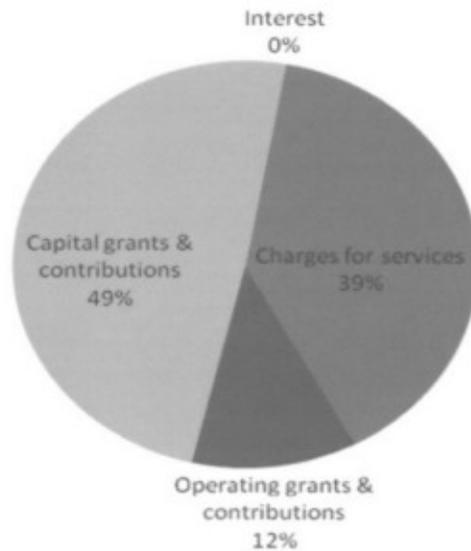


The chart above shows the Business-type activities of the county that are supported by Program Revenues. The only Business-type fund that is not fully funded with its Program Revenues is E-911.

Revenues By Source - Governmental Activities



Revenues by Source - Business-type Activities



Business-type funds decreased revenue by \$414 or 11% while expenditures remained within 1% increase. This decrease is based primarily on the capital grants received for the addition of new water lines in the prior year that exceed this year's grants. There were transfers of \$145 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 \$33,314, an increase of \$24,690 from the previous year. As stated on page 3 of this report, the increase is primarily due from \$23,549 received from an Installment Purchase Revenue Bond (IPRB) in 2011.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$4,479 for the general fund of which \$4,221 was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27% of total general fund expenditures. The net increase in the fund balance of the general fund was \$186 during the current year. This increase is attributed to the decrease in transfers out to the business-type fund for non-reoccurring expenditures. There was Operating Transfers In in the amount of \$283 from Debt Service for the purpose of reimbursing the general fund for

debt payments and reimbursement from Public Works for expenditures. Operating transfers (Out) from the general fund were \$818.

The rural fire fund has a total fund balance of \$224. This fund balance was reduced due to the completion of the five (5) fire stations that had been under construction over the past year.

The debt service fund has a total fund balance of \$2,489, all of which is reserved for the payment of debt service. An increase of \$535 in the fund balance results from pay off of two capital leases in the prior year.

The landfill closure fund has a fund balance of \$1,944, a decrease of \$864 due to the Phase II closure costs for the MSW Landfill. The other governmental funds included in the above totals had a combined fund balance of \$629.

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

Unrestricted net assets of the Transit System totaled \$1,609. The E-911 Fund experienced a negative unrestricted net asset of \$1,031, primarily due to the transfers due to the general fund for operating expenses not covered by subscriber fees. The net assets for the Water and Sewer System increased \$1,007. The Transit net assets increased \$722. E-911 experienced a decrease in net assets of \$139 due from a loss of equipment due to lightning damage.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 60 and 62 of this report. The Taxes, Fees and Other Revenue categories were the only revenue streams that experienced decreases from the original budget.

Capital Asset and Debt Administration

Capital assets. Williamsburg County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounted to \$55,476 (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 30%. 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.

Capital Assets for Governmental and Business-type Activities

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	1,829	1,829	148	148	1,977	1,977
Land improvements	2,913	3,171	-	-	2,913	3,171
Buildings	4,975	4,132	22	28	4,997	4,160
Building improvements	2,036	2,147	38	43	2,074	2,190
Roads & Bridges	3,188	3,121	-	-	3,188	3,121
Water Distribution System	-	-	13,287	13,313	13,287	13,313
Leasehold improvements	254	281	-	-	254	281
Furniture & fixtures	738	783	81	100	819	883
Machinery & equipment	2,191	290	94	81	2,285	371
Automotive equipment	3,611	2,593	2,049	1,214	5,660	3,807
Communication equipment	185	205	720	454	905	659
Construction in progress	2,591	-	14,526	8,612	17,117	8,612
Total	\$24,511	\$18,552	\$30,965	\$23,993	55,476	\$42,545

Additional information on the County's capital assets can be found in Note 5 on pages 37 through 38 of this report.

Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$47,231 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation						
bonds	5,988	5,429	-	-	5,988	5,429
Unamortized Premium	92	17	-	-	92	17
IPRB Facilities Corp	30,000				30,000	
Less Unamortized Discount	(397)				(397)	
Bond anticipation						
notes	1,160	1,400	-	-	1,160	1,400
Revenue bonds		-	6,812	2,568	6,812	2,568
Bond anticipation						
notes		-	3,576	3,215	3,576	3,215
Total bonds payable	36,843	6,846	10,388	5,783	47,231	12,629
Capital leases	3,714	1,608	212	51	3,926	1,659
Vehicle Acquisition Plan	-	-	44	66	44	66
Total	40,557	8,454	10,644	5,900	51,201	14,354

The County's total bonded debt increased by \$34,602 (73%) during the current fiscal year, primarily as a result of the Installment Purchase Revenue Bond (\$30,000) and the Water & Sewer Revenue Bonds increase to \$6,812 and then the decreases in annual bond payments throughout the fiscal year.

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

South Carolina statutes limit the amount of general obligation debt a government entity may issue (without referendum) to 8% of its total assessed value. The current general obligation (G.O.) debt limit for Williamsburg County General Fund is \$7,158. The current general obligation bonds subject to the legal debt limitation is \$1,845 for the General Fund. The bonds for the Rural Fire Debt and the Installment Purchase Revenue Bond (IPRB) are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District and part of the Public Facilities Corporation.

Additional information on the County's long-term debt can be found in note 8 on pages 41 through 47 of this report.

Economic Factors and Next Year's Budgets and Rates

- ❖ As of November 2011 the annual average unemployment rate for Williamsburg County is 12.7%. This is a 1.5% decrease from the prior fiscal year of 14.2%. Despite this despairing economic condition, there were several new industries that did locate in Williamsburg County in 2011. Naturally Advanced Technology, a flax company created 75 jobs and invested \$17 million in our county. Project Agriculture in Andrews created 65 new jobs with a \$9 million investment. Willowglen now in operation on Highway 52 in the county has nearly 100 employees with a \$3 million investment. Even with the loss of the Firestone Corporation our unemployment rate continues to decrease.

- ❖ Williamsburg County had several industry expansions in 2011. Palmetto Synthetics-Kingstree continues to add employees. Project Cousins – \$5 million investment with 20-25 new employees. Project Bag has completed office/warehouse expansion adding 15 new employees to the Hemingway facility. Project Embroidery has completed buyout and expansion adding 15-20 new employees.
- ❖ Williamsburg County is currently working with 10 other projects that can possibly bring new jobs into the county. One of these, Project Kingstree, is a multi-million purchase/buyout of a local biotech company by an international giant. Expansions are currently on the drawing board.
- ❖ Business Development Corporation has received awards of eight (8) new grants. \$708,000 received to improve energy efficiency upgrades to renovate the former Milliken building. \$400,000 for Project Fiber's expansion. \$150,000 from Santee Cooper infrastructure fund to retire all remaining debts associated with the Williamsburg Cooperative Commerce Centre. \$36,000 USDA/RDA to provide small business specialist and receptionist. \$25,000 NESA to offset costs of Williamsburg Cooperative Commerce Centre South. \$13,000 from Santee Cooper and Farmers Telephone to pay for signage and landscaping at the Williamsburg Cooperative Commerce Centre South. \$95,000 from Progress Energy to pay for road improvement to the Milliken Building. \$30,000 from SCANA to pay portion of the upgrade to the entrance road of the Williamsburg Cooperative Commerce Centre.
- ❖ Williamsburg County has currently three industrial parks located in Kingstree, Hemingway and Salters, South Carolina. There are two speculative buildings available for qualifying prospects.

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 Phyllis B. Underwood, Williamsburg County Controller, P.O. Box 330, Kingstree, SC 29556.

BASIC FINANCIAL STATEMENTS

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash	\$ 2,032,459	\$ 964,877	\$ 2,997,336	\$ 132,648
Investments	0	1,431,077	1,431,077	0
Accounts Receivable (Net of Allowance for Uncollectibles)	0	105,883	105,883	23,648
Court Fines Receivable (Net)	77,215	0	77,215	0
Taxes Receivable (Net of Allowance for Uncollectibles)	1,200,167	0	1,200,167	0
Due From Others	570,106	0	570,106	0
Due From State	1,371,587	0	1,371,587	0
Prepaid Assets	198,644	87,072	285,716	0
Other Receivables	1,414,267	275,348	1,689,615	33,647
Internal Balances	1,054,308	(1,054,308)	0	0
Inventories	64,197	54,810	119,007	0
Deferred Charges	698,675	0	698,675	0
Temporarily Restricted Assets:				
Cash and Investments	30,152,013	57,431	30,209,444	0
Capital Assets (Net of Accumulated Depreciation):				
Land	1,829,225	148,000	1,977,225	0
Construction in Progress	2,590,618	14,525,894	17,116,512	0
Land Improvements	2,913,102	0	2,913,102	0
Roads & Bridges	3,188,129	0	3,188,129	0
Buildings	4,975,263	21,944	4,997,207	0
Building Improvements	2,035,496	37,980	2,073,476	0
Leasehold Improvements	254,477	0	254,477	0
Water & Wastewater System	0	13,286,969	13,286,969	0
Furniture & Fixtures	738,426	80,560	818,986	32,500
Machinery & Equipment	2,191,135	93,899	2,285,034	2,212
Automotive Equipment	3,611,007	2,049,387	5,660,394	32,264
Communication Equipment	184,907	720,471	905,378	0
TOTAL ASSETS	\$ 63,345,423	\$ 32,887,294	\$ 96,232,717	\$ 256,919
LIABILITIES				
Accounts Payable & Retainage Payable	2,338,364	953,884	3,292,248	3,242
Due to Others	371,224	0	371,224	0
Accrued Interest Payable	192,895	157,737	350,632	0
Accrued Salaries and Related Fringes	594,715	0	594,715	19,939
Customer Deposits	0	23,585	23,585	0
Deferred Revenue	328,447	0	328,447	0
Noncurrent Liabilities:				
Due Within One Year	3,266,168	3,696,269	6,962,437	11,443
Due In More Than One Year	45,230,456	7,142,139	52,372,595	0
TOTAL LIABILITIES	\$ 52,322,269	\$ 11,973,614	\$ 64,295,883	\$ 34,624
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt	8,445,747	20,321,057	28,766,804	66,976
Restricted For:				
Public Safety	239,613	0	239,613	0
General Government	58,365	0	58,365	0
Environmental Services	2,753,383	0	2,753,383	0
Economic Development	300,843	0	300,843	0
Road & Bridges	143,012	0	143,012	0
Health & Human Services	106,567	0	106,567	0
Debt Service	2,629,407	57,431	2,686,838	0
Unrestricted	(3,653,783)	535,192	(3,118,591)	155,319
TOTAL NET ASSETS	\$ 11,023,154	\$ 20,913,680	\$ 31,936,834	\$ 222,295

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS			COMPONENT UNIT
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental Activities:								
General Government	\$ 8,166,748	\$ 534,706	\$ 488,911	\$ 0	\$ (7,143,131)	\$ 0	\$ (7,143,131)	\$ 0
Public Safety	5,845,093	641,478	1,043,879	0	(4,159,736)	0	(4,159,736)	0
Public Works	1,673,265	709,845	1,500	724,671	(237,249)	0	(237,249)	0
Health & Human Services	2,637,153	793,078	926,402	0	(917,673)	0	(917,673)	0
Economic Development	1,619,534	0	968,810	0	(650,724)	0	(650,724)	0
Cultural & Recreation	1,085,564	21,034	60,499	0	(1,004,031)	0	(1,004,031)	0
Environmental Services - Landfill	2,131,695	654,950	70,931	0	(1,405,814)	0	(1,405,814)	0
Agency Contributions	75,839	0	0	0	(75,839)	0	(75,839)	0
Interest and Other Charges	1,810,613	0	0	0	(1,810,613)	0	(1,810,613)	0
Total Governmental Activities	\$ 25,045,504	\$ 3,355,091	\$ 3,560,932	\$ 724,671	\$ (17,404,810)	\$ 0	\$ (17,404,810)	\$ 0
Business-Type Activities:								
Water & Sewer Fund	1,394,514	984,793	0	1,414,326	0	1,004,605	1,004,605	0
Williamsburg County Transit System	2,363,959	813,451	672,903	1,439,652	0	562,047	562,047	0
E 911 Fund	631,512	492,282	0	0	0	(139,230)	(139,230)	0
Total Business-Type Activities	\$ 4,389,985	\$ 2,290,526	\$ 672,903	\$ 2,853,978	\$ 0	\$ 1,427,422	\$ 1,427,422	\$ 0
Total Primary Government	\$ 29,435,489	\$ 5,645,617	\$ 4,233,835	\$ 3,578,649	\$ (17,404,810)	\$ 1,427,422	\$ (15,977,388)	\$ 0
Component Unit								
Williamsburg County Library	\$ 490,604	\$ 47,354	\$ 79,320	\$ 0				\$ (363,930)
Total Component Unit	\$ 490,604	\$ 47,354	\$ 79,320	\$ 0				\$ (363,930)

GENERAL REVENUES

Taxes	\$ 10,711,832	\$ 0	\$ 10,711,832	\$ 0
Contributions from Primary Government	0	0	0	403,764
Local Option Sales Tax	2,210,454	0	2,210,454	0
Local Government Fund	1,322,136	0	1,322,136	0
State Shared Taxes	1,617,981	0	1,617,981	0
Interest	150,262	18,075	168,337	514
Gain on Disposal of Capital Assets	503,913	0	503,913	0
Miscellaneous Revenue	142,151	0	142,151	0
Transfers	(145,444)	145,444	0	0
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS	\$ 16,513,285	\$ 163,519	\$ 16,676,804	\$ 404,278
CHANGES IN NET ASSETS	\$ (891,525)	\$ 1,590,941	\$ 699,416	\$ 40,348
NET ASSETS, Beginning of Year (Restated)	11,914,679	19,322,739	31,237,418	181,947
NET ASSETS, End of Year	\$ 11,023,154	\$ 20,913,680	\$ 31,936,834	\$ 222,295

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>GENERAL FUND</u>	<u>RURAL FIRE FUND</u>	<u>LANDFILL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS							
Cash	\$ 1,611,185	\$ 171,582	\$ 2,099	\$ 0	\$ 117	\$ 247,476	\$ 2,032,459
Cash Restricted	312,853	31,624	2,753,386	24,146,655	2,907,495	0	30,152,013
Court Fines Receivable (Net of Allowance)	77,215	0	0	0	0	0	77,215
Due from Others	570,106	0	0	0	0	0	570,106
Taxes Receivable (Net of Allowance)	748,669	116,975	127,764	0	206,759	0	1,200,167
Other Receivables	572,475	0	57,477	199	16,343	767,773	1,414,267
Due from State Government	1,371,587	0	0	0	0	0	1,371,587
Prepaid Expenses	198,644	0	0	0	0	0	198,644
Inventory	0	0	0	0	0	64,197	64,197
Due from Other Funds	2,149,793	911	0	0	0	179,556	2,330,260
TOTAL ASSETS	\$ 7,612,527	\$ 321,092	\$ 2,940,726	\$ 24,146,854	\$ 3,130,714	\$ 1,259,002	\$ 39,410,915
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable & Retainage Payable	1,001,103	14,150	22,707	598,049	341,175	361,180	2,338,364
Due to Other Funds	0	0	862,965	0	160,132	252,855	1,275,952
Due to Others	371,224	0	0	0	0	0	371,224
Accrued Wages & Benefits Payable	579,194	0	0	0	0	15,521	594,715
Deferred Revenue	1,182,172	83,011	111,040	0	140,741	0	1,516,964
TOTAL LIABILITIES	\$ 3,133,693	\$ 97,161	\$ 996,712	\$ 598,049	\$ 642,048	\$ 629,556	\$ 6,097,219
FUND BALANCE							
Nonspendable:							
Inventory	0	0	0	0	0	64,197	64,197
Prepaid Expenditures	198,644	0	0	0	0	0	198,644
Restricted for:							
Public Safety	875	223,931	0	0	0	14,807	239,613
General Government	58,365	0	0	0	0	0	58,365
Debt Service	0	0	0	0	2,488,666	0	2,488,666
Capital Projects	0	0	0	23,548,805	0	0	23,548,805
Health & Human Services	0	0	0	0	0	106,587	106,587
Environmental Services	0	0	1,944,014	0	0	0	1,944,014
Economic Development	0	0	0	0	0	300,843	300,843
Public Works	0	0	0	0	0	143,012	143,012
Unassigned	4,220,950	0	0	0	0	0	4,220,950
TOTAL FUND BALANCE	\$ 4,478,834	\$ 223,931	\$ 1,944,014	\$ 23,548,805	\$ 2,488,666	\$ 629,446	\$ 33,313,696
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,612,527	\$ 321,092	\$ 2,940,726	\$ 24,146,854	\$ 3,130,714	\$ 1,259,002	\$ 39,410,915

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 ASSETS
JUNE 30, 2011**

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

Ending fund balances - governmental funds balance sheet	\$ 33,313,696
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,511,785
Other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,188,517
Long-term liabilities, including bonds payable (net of premiums and issuance costs), capital leases, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(47,990,844)</u>
Net assets of governmental activities	<u><u>\$ 11,023,154</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND	RURAL FIRE FUND	LANDFILL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 11,106,511	\$ 878,830	\$ 0	\$ 0	\$ 2,011,434	\$ 437,274	\$ 14,434,049
Fees, Licenses & Permits	102,665	0	504,903	0	0	798,744	1,406,312
Intergovernmental Revenue	2,250,350	224,415	0	417,023	0	2,641,530	5,533,318
Charges for Services	1,041,554	0	105,474	0	0	0	1,147,028
Fines & Forfeitures	581,246	0	0	0	0	0	581,246
Miscellaneous Revenues	1,022,628	5,204	13,120	77,477	45,853	41,848	1,206,130
TOTAL REVENUES	\$ 16,104,954	\$ 1,108,449	\$ 623,497	\$ 494,500	\$ 2,057,287	\$ 3,919,396	\$ 24,308,083
EXPENDITURES							
Current:							
General Government	8,001,278	0	0	0	0	0	8,001,278
Public Safety	3,645,675	1,058,701	0	0	0	346,670	5,051,046
Public Works	0	0	0	0	0	1,174,550	1,174,550
Health and Human Services	1,460,230	0	0	0	0	970,365	2,430,595
Cultural and Recreational	890,190	0	0	0	0	60,924	951,114
Economic Development	146,141	0	0	0	0	1,257,799	1,403,940
Environmental Services - Landfill	1,135,776	0	690,170	0	0	70,931	1,896,877
Other	75,839	0	0	0	0	0	75,839
Capital Outlay:							
General Government	63,468	0	0	2,590,618	0	0	2,654,086
Public Safety	83,713	1,354,988	0	0	0	49,805	1,488,506
Public Works	0	0	0	0	0	2,808,761	2,808,761
Health and Human Services	0	0	0	0	0	24,545	24,545
Cultural and Recreational	42,132	0	0	0	0	0	42,132
Economic Development	0	0	0	0	0	30,648	30,648
Environmental Services - Landfill	618,693	0	513,598	0	0	0	1,132,291
Debt Service:							
Principal	0	2,059,003	0	0	1,715,101	0	3,774,104
Interest	47,633	24,229	0	0	1,678,980	0	1,750,842
Bond Issuance Costs	30,000	120,877	0	489,304	15,000	0	655,181
TOTAL EXPENDITURES	\$ 16,240,768	\$ 4,617,798	\$ 1,203,768	\$ 3,079,922	\$ 3,409,081	\$ 6,794,998	\$ 35,346,335
EXCESS REVENUES OVER EXPENDITURES	\$ (135,814)	\$ (3,509,349)	\$ (580,271)	\$ (2,585,422)	\$ (1,351,794)	\$ (2,875,602)	\$ (11,038,252)
OTHER FINANCING SOURCES (USES)							
Transfers In	283,478	230,640	0	2,063	1,452,565	672,866	2,641,612
Transfers (Out)	(818,310)	(77,769)	(283,478)	(1,374,796)	(232,703)	0	(2,787,056)
GO & Refunding Bonds	0	3,185,000	0	0	0	0	3,185,000
IPRB Proceeds	0	0	0	27,914,460	2,085,540	0	30,000,000
IPRB Discounts	0	0	0	(407,500)	0	0	(407,500)
Bond Premiums	0	81,508	0	0	0	0	81,508
Lease Purchase Proceeds	856,421	0	0	0	0	2,158,437	3,014,858
TOTAL OTHER FINANCING SOURCES (USES)	\$ 321,589	\$ 3,419,379	\$ (283,478)	\$ 26,134,227	\$ 3,305,402	\$ 2,831,303	\$ 35,728,422
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 185,775	\$ (89,970)	\$ (863,749)	\$ 23,548,805	\$ 1,953,608	\$ (44,299)	\$ 24,690,170
FUND BALANCE, Beginning of Year	4,293,059	313,901	2,807,763	0	535,058	673,745	8,623,526
FUND BALANCE, End of Year	\$ 4,478,834	\$ 223,931	\$ 1,944,014	\$ 23,548,805	\$ 2,488,666	\$ 629,446	\$ 33,313,696

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, 2011**

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

Net change in fund balances - total governmental funds	\$	24,690,170
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay exceeded depreciation expense in the current period.		6,007,180
Revenues in the statement of activities, such as property taxes, ambulance fees and police fines that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.		38,945
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(31,455,360)
In the statement of activities, only the gain on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold.		(47,605)
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums and issuance costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(124,855)</u>
Change in net assets of governmental activities	\$	<u>(891,525)</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 719,013	\$ 207,056	\$ 38,808	\$ 964,877
Investments	0	1,431,077	0	1,431,077
Restricted Cash & Investments	57,431	0	0	57,431
Inventory	0	54,810	0	54,810
Prepaid Expense	0	87,072	0	87,072
Accounts Receivable, Net of Allowance	82,066	23,817	0	105,883
Receivable - Other	29,408	234,537	11,403	275,348
TOTAL CURRENT ASSETS	\$ 887,918	\$ 2,038,369	\$ 50,211	\$ 2,976,498
PROPERTY, PLANT, AND EQUIPMENT				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	14,525,894	0	0	14,525,894
Water & Sewer System	16,534,097	0	0	16,534,097
Furniture and Fixtures	0	0	315,917	315,917
Machinery and Equipment	0	153,900	904,304	1,058,204
Vehicles	48,499	4,407,005	0	4,455,504
Buildings & Improvements	0	172,099	110,102	282,201
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(3,251,751)	(2,658,611)	(457,795)	(6,368,157)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 27,976,739	\$ 2,115,837	\$ 872,528	\$ 30,965,104
TOTAL ASSETS	\$ 28,864,657	\$ 4,154,206	\$ 922,739	\$ 33,941,602

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
LIABILITIES				
SHORT-TERM LIABILITIES				
Accounts Payable	\$ 16,153	\$ 226,498	\$ 39,146	\$ 281,797
Retainage Payable	672,087	0	0	672,087
Due to Other Funds	1,418	44,221	1,008,669	1,054,308
Compensated Absences Payable	1,274	15,926	3,131	20,331
Vehicle Acquisition Plan Payable	0	22,058	0	22,058
Bonds Payable - RDA	56,979	0	0	56,979
Bond Anticipation Note	3,576,000	0	0	3,576,000
Capital Leases Payable	0	0	20,904	20,904
Accrued Interest Payable	157,737	0	0	157,737
Customer Deposits	23,585	0	0	23,585
TOTAL SHORT-TERM LIABILITIES	\$ 4,505,233	\$ 308,703	\$ 1,071,850	\$ 5,885,786
LONG-TERM LIABILITIES				
Compensated Absences Payable	1,274	15,926	3,130	20,330
OPEB Liability	0	126,100	27,600	153,700
Vehicle Acquisition Plan Payable	0	22,058	0	22,058
Capital Leases Payable	0	0	191,492	191,492
Bonds Payable - RDA	6,754,556	0	0	6,754,556
TOTAL LONG-TERM LIABILITIES	\$ 6,755,830	\$ 164,084	\$ 222,222	\$ 7,142,136
TOTAL LIABILITIES	\$ 11,261,063	\$ 472,787	\$ 1,294,072	\$ 13,027,922
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	17,589,204	2,071,721	660,132	20,321,057
Restricted for Debt Service	57,431	0	0	57,431
Unrestricted	(43,041)	1,609,698	(1,031,465)	535,192
TOTAL NET ASSETS	\$ 17,603,594	\$ 3,681,419	\$ (371,333)	\$ 20,913,680

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 984,793	\$ 813,451	\$ 492,282	\$ 2,290,526
TOTAL OPERATING REVENUES	\$ 984,793	\$ 813,451	\$ 492,282	\$ 2,290,526
OPERATING EXPENSES				
Cost of Sales & Services	336,435	648,708	160,494	1,145,637
Personnel & Benefits	115,262	1,076,197	90,019	1,281,478
Administration	174,942	254,551	113,763	543,256
Depreciation	483,822	384,503	63,495	931,820
TOTAL OPERATING EXPENSES	\$ 1,110,461	\$ 2,363,959	\$ 427,771	\$ 3,902,191
OPERATING INCOME (LOSS)	\$ (125,668)	\$ (1,550,508)	\$ 64,511	\$ (1,611,665)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	2,643	14,882	550	18,075
Interest Expense	(284,053)	0	(24,509)	(308,562)
Loss on Disposal of Capital Assets	0	0	(179,232)	(179,232)
RDA Grant	944,408	0	0	944,408
CDBG Block Grant	469,918	0	0	469,918
Government Subsidies	0	2,112,555	0	2,112,555
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 1,132,916	\$ 2,127,437	\$ (203,191)	\$ 3,057,162
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 1,007,248	\$ 576,929	\$ (138,680)	\$ 1,445,497
TRANSFERS				
Transfers In	0	145,444	0	145,444
TOTAL TRANSFERS	\$ 0	\$ 145,444	\$ 0	\$ 145,444

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
NET INCOME (LOSS)	\$ 1,007,248	\$ 722,373	\$ (138,680)	\$ 1,590,941
NET ASSETS, Beginning of Year	16,596,346	2,959,046	(232,653)	19,322,739
NET ASSETS, End of Year	\$ 17,603,594	\$ 3,681,419	\$ (371,333)	\$ 20,913,680

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, 2011

	<u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			
	<u>WATER & SEWER FUND</u>	<u>WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND</u>	<u>E911 FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 954,600	\$ 850,093	\$ 510,992	\$ 2,315,685
Cash Payments to Suppliers for Goods and Services	(514,901)	(732,595)	(122,302)	(1,369,798)
Cash Payments to and for Employee's Benefit	(115,159)	(1,056,547)	(107,991)	(1,279,697)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 324,540</u>	<u>\$ (939,049)</u>	<u>\$ 280,699</u>	<u>\$ (333,810)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	0	551,473	0	551,473
Payments Received from Other Funds	0	145,444	0	145,444
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 0</u>	<u>\$ 696,917</u>	<u>\$ 0</u>	<u>\$ 696,917</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants Received	1,414,326	1,333,713	0	2,748,039
Insurance Proceeds - Equipment Damage	0	0	179,257	179,257
Property, Plant and Equipment Additions	(6,159,587)	(1,188,512)	(657,948)	(8,006,047)
Capital Lease Proceeds	0	0	233,299	233,299
Principal Payment Revenue Bonds	(27,570)	0	0	(27,570)
Principal Payment Bond Anticipation Note	(3,348,071)	0	0	(3,348,071)
Bond Anticipation Note Proceeds	3,708,876	0	0	3,708,876
Revenue Bond Proceeds	4,271,000	0	0	4,271,000
Principal Payment Capital Leases	0	0	(71,534)	(71,534)
Interest Paid	(153,915)	0	(24,509)	(178,424)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (294,941)</u>	<u>\$ 145,201</u>	<u>\$ (341,435)</u>	<u>\$ (491,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	0	(22,550)	0	(22,550)
Interest Received	2,643	22,550	550	25,743
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 2,643</u>	<u>\$ 0</u>	<u>\$ 550</u>	<u>\$ 3,193</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, 2011

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
	NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 32,242	\$ (96,931)	\$ (60,186)
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 744,202	\$ 303,987	\$ 98,994	\$ 1,147,183
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 776,444</u>	<u>\$ 207,056</u>	<u>\$ 38,808</u>	<u>\$ 1,022,308</u>
Cash	719,013	207,056	38,808	964,877
Cash Restricted	<u>57,431</u>	<u>0</u>	<u>0</u>	<u>57,431</u>
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 776,444</u>	<u>\$ 207,056</u>	<u>\$ 38,808</u>	<u>\$ 1,022,308</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (125,668)	\$ (1,550,508)	\$ 64,511	\$ (1,611,665)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	483,822	384,503	63,495	931,820
(Increase) Decrease in Accounts and Other Receivables	(30,193)	36,642	18,710	25,159
(Increase) Decrease in Inventory	0	(14,582)	0	(14,582)
(Increase) Decrease in Prepaid Expenses	0	(87,072)	0	(87,072)
Increase (Decrease) in Due to General Fund	1,993	72,981	120,819	195,793
Increase (Decrease) in Accounts Payable	(27,752)	199,337	31,136	202,721
Increase (Decrease) in Salaries and Compensated Absences Payable	103	19,650	(17,972)	1,781
Increase (Decrease) in Customer Deposits	<u>22,235</u>	<u>0</u>	<u>0</u>	<u>22,235</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 324,540</u>	<u>\$ (939,049)</u>	<u>\$ 280,699</u>	<u>\$ (333,810)</u>
NON CASH CAPITAL AND FINANCING ACTIVITIES				
State Vehicle Acquisition Plan	\$ 0	\$ 22,058	\$ 0	\$ 22,058
Loss on Disposal of Capital Assets	0	0	(179,232)	(179,232)
	<u>\$ 0</u>	<u>\$ 22,058</u>	<u>\$ (179,232)</u>	<u>\$ (157,174)</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 3,054,645	\$ 248,759	\$ 3,303,404
Note Receivable, Net of Allowance	<u>0</u>	<u>731,189</u>	<u>731,189</u>
TOTAL ASSETS	\$ <u>3,054,645</u>	\$ <u>979,948</u>	\$ <u>4,034,593</u>
LIABILITIES			
Due to Other Taxing Units	2,373,108	0	2,373,108
Due to Estate & Trust Beneficiaries	207,045	0	207,045
Due to Others	114,132	0	114,132
Due to Bidders & Redeemers of Land Sales	206,416	0	206,416
Due to Fine Recipients and Bond Payors	82,914	0	82,914
Due to Support Recipients	11,228	0	11,228
Due to Seized Asset Recipient	<u>59,802</u>	<u>0</u>	<u>59,802</u>
TOTAL LIABILITIES	\$ <u>3,054,645</u>	\$ <u>0</u>	\$ <u>3,054,645</u>
NET ASSETS			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 979,948</u>	<u>\$ 979,948</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	REVOLVING LOAN TRUST FUND
ADDITIONS	
Program Income	\$ 25,000
Interest Income	<u>1,656</u>
TOTAL ADDITIONS	\$ <u>26,656</u>
 DEDUCTIONS	
Economic Development Loans Payments	25,000
Economic Development Loans Bad Debt Expense	<u>175,000</u>
TOTAL DEDUCTIONS	\$ <u>200,000</u>
 CHANGE IN NET ASSETS	 \$ (173,344)
NET ASSETS, Beginning of Year	<u>1,153,292</u>
NET ASSETS, End of Year	\$ <u><u>979,948</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, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

Discretely Presented Component Unit

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

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

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

B. Government-Wide and Fund Financial Statements

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

Landfill Fund: The landfill fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are collected for the purpose of providing landfill services to Williamsburg County. The landfill fund is responsible for collecting required funds for the closure and postclosure costs of the landfill.

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

D. Deposits and Investments

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

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

E. Interfund Receivables and Payables

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

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

F. Receivables

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

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

G. Inventories

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

H. Restricted Assets

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

I. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

J. Compensated Absences

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

K. Deferred Revenues

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

L. Long-Term Obligations

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

M. Nonexchange Transactions

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

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

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

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

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

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

N. Net Assets/Fund Balances

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

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

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

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

In the governmental fund financial statements, equity is classified as fund balance. During the current fiscal year, the County 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 categories of fund balance presented in the County's financial statements have changed as a result of implementing this statement.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. The County does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2011, the County's bank balance was \$10,255,842 with a carrying value of \$9,215,988. Of the bank balance of \$10,255,842, the amount that was exposed to custodial credit risk was \$1,248,444 which was uninsured and uncollateralized which violates state law.

INVESTMENTS

As of June 30, 2011, 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	\$ 2,463,185	<1
Wells Fargo Money Market	Unrated	25,258,456	<1
Build America Bonds, Series A	AA	999,720	>10
		<u>\$ 28,721,361</u>	

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

Reconciliation of Cash and Investments to Fund Financial Statements:

Cash and Investments		
Cash and Investments	\$	7,731,817
Restricted Cash and Investments		<u>30,209,444</u>
Total Cash and Investments	\$	<u>37,941,261</u>
Petty Cash	\$	3,912
Deposits Carrying Value		9,215,988
Investments		<u>28,721,361</u>
Total Cash and Investments	\$	<u>37,941,261</u>

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$132,648, which were insured by the Federal Depositors Insurance Corporation.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2011 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,200,167	\$ 0	\$ 1,200,167
Accounts Receivable, Net	0	105,883	105,883
Due From Others	570,106	0	570,106
Due From State Government	1,371,587	0	1,371,587
Court Fines Receivable, Net	77,215	0	77,215
Other Receivables	<u>1,414,267</u>	<u>275,348</u>	<u>1,689,615</u>
Total Receivables	\$ <u>4,633,342</u>	\$ <u>381,231</u>	\$ <u>5,014,573</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$523,331. Court fines receivable are reported net of an allowance for uncollectible fines of \$397,630 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$888,406. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$8,048. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$136,227.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 3 - RECEIVABLES (CONTINUED)

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

NOTE 4 - RESTRICTED ASSETS

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

Governmental Activities

Special Fees:

Landfill Closure Post Closure \$ 2,753,386

Debt Service Funds:

Restricted for Debt Service 2,907,495

Lease Purchase Proceeds Restricted for Capital Purchases 312,853

Rural Fire G.O. Bonds:

Restricted for Capital Improvements 31,624

Capital Projects Fund - IPRBF:

Restricted for Capital Improvements 24,146,655

Total Restricted Governmental Activities \$ 30,152,013

Business-Type Activities

Water and Sewer Fund:

Restricted for Debt Service Reserve Requirements \$ 57,431

Total Restricted Business-Type Activities \$ 57,431

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated				
Land	\$ 1,829,225	\$ 0	\$ 0	\$ 1,829,225
Construction in Progress	<u>0</u>	<u>2,590,618</u>	<u>0</u>	<u>2,590,618</u>
Total, not being Depreciated	<u>\$ 1,829,225</u>	<u>\$ 2,590,618</u>	<u>\$ 0</u>	<u>\$ 4,419,843</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 5,585,473	\$ 6,000	\$ 0	\$ 5,591,473
Road and Bridges	5,044,098	416,301	0	5,460,399
Buildings	6,778,214	1,112,737	84,000	7,806,951
Building Improvements	4,799,023	42,569	0	4,841,592
Leasehold Improvements	541,877	0	0	541,877
Furniture & Fixtures	1,657,815	19,884	0	1,677,699
Machinery & Equipment	3,191,945	2,083,671	1,387,439	3,888,177
Automotive Equipment	9,551,214	1,909,189	1,109,153	10,351,250
Communication Equipment	<u>285,025</u>	<u>0</u>	<u>0</u>	<u>285,025</u>
Total, being Depreciated	<u>\$ 37,434,684</u>	<u>\$ 5,590,351</u>	<u>\$ 2,580,592</u>	<u>\$ 40,444,443</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (2,414,071)	\$ (264,300)	\$ 0	\$ (2,678,371)
Road and Bridges	(1,922,969)	(349,301)	0	(2,272,270)
Buildings	(2,645,755)	(185,933)	0	(2,831,688)
Building Improvements	(2,651,540)	(154,556)	0	(2,806,096)
Leasehold Improvements	(260,801)	(26,599)	0	(287,400)
Furniture & Fixtures	(875,275)	(63,998)	0	(939,273)
Machinery & Equipment	(2,902,303)	(218,576)	1,423,837	(1,697,042)
Automotive Equipment	(6,958,477)	(890,916)	1,109,150	(6,740,243)
Communication Equipment	<u>(80,508)</u>	<u>(19,610)</u>	<u>0</u>	<u>(100,118)</u>
Total Accumulated Depreciation	<u>\$ (20,711,699)</u>	<u>\$ (2,173,789)</u>	<u>\$ 2,532,987</u>	<u>\$ (20,352,501)</u>
Total, being Depreciated, Net	<u>\$ 16,722,985</u>	<u>\$ 3,416,562</u>	<u>\$ 47,605</u>	<u>\$ 20,091,942</u>
Total Governmental Activities, Net	<u>\$ 18,552,210</u>	<u>\$ 6,007,180</u>	<u>\$ 47,605</u>	<u>\$ 24,511,785</u>

Capital Asset additions in the governmental funds totaled \$8,180,969, and the current year depreciation expense totaled \$2,173,789. Assets totaling \$2,580,592 with a net book value of \$47,605 were sold during the year for \$551,518 resulting in a gain of \$503,913 on the sale of fixed assets.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	8,612,229	6,367,243	453,578	14,525,894
Total, not being Depreciated	\$ 8,760,229	\$ 6,367,243	\$ 453,578	\$ 14,673,894
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	194,731	0	0	194,731
Building Improvements	87,470	0	0	87,470
Water Distribution System	16,080,519	453,578	0	16,534,097
Furniture & Fixtures	315,917	0	0	315,917
Machinery & Equipment	202,300	26,766	0	229,066
Automotive Equipment	3,245,260	1,210,244	0	4,455,504
Communication Equipment	708,923	657,949	537,734	829,138
Total, being Depreciated	\$ 20,848,564	\$ 2,348,537	\$ 537,734	\$ 22,659,367
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(167,029)	(5,758)	0	(172,787)
Building Improvements	(44,843)	(4,647)	0	(49,490)
Water Distribution System	(2,767,929)	(479,199)	0	(3,247,128)
Furniture & Fixtures	(215,712)	(19,645)	0	(235,357)
Machinery & Equipment	(120,930)	(14,237)	0	(135,167)
Automotive Equipment	(2,031,127)	(374,990)	0	(2,406,117)
Communication Equipment	(254,566)	(33,344)	179,243	(108,667)
Total Accumulated Depreciation	\$ (5,615,580)	\$ (931,820)	\$ 179,243	\$ (6,368,157)
Total, being Depreciated, Net	\$ 15,232,984	\$ 1,416,717	\$ 358,491	\$ 16,291,210
Total Business-Type Activities, Net	\$ 23,993,213	\$ 7,783,960	\$ 812,069	\$ 30,965,104

The capital asset additions of business-type activities totaled \$8,262,202 and depreciation expense in business-type activities totaled \$931,820. Assets totaling \$537,734 were disposed of during the year that had accumulated depreciation of \$179,243. A loss on disposal of capital assets has been recorded in the amount of \$179,232 after insurance proceeds were received in the amount of \$179,259.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in Progress in the Governmental-Type Activities totaling \$2,590,618 at June 30, 2011 represents funds expended on the following capital projects:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
Public Service Adm Building	\$ 2,378,942	\$ 5,687,680	March 2012
Court House Renovations	196,501	3,972,766	July 2013
Sheriff/Detention Building	8,925	To Be Determined	To Be Determined
EOC Building	6,250	To Be Determined	To Be Determined

Construction in Progress in the Business-Type Activities totaling \$14,525,894 at June 30, 2011 represents funds expended on the following water and sewer improvements:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
S. Williamsburg Phase II	\$ 3,604,603	\$ 175,371	July 2011
Morris Corner	512,300	41,237	October 2011
Lane Sewer Project	2,325,723	163,277	December 2011
Kingstree East Phase I	4,143,801	943,399	December 2011
Kingstree East Phase II	3,807,201	365,999	October 2011
Other	132,266	To Be Determined	To Be Determined

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$ 129,422
Public Safety	873,181
Public Works	516,042
Health and Human Services	202,685
Economic Development	215,390
Environmental Services - Landfill	107,206
Cultural and Recreation	<u>129,863</u>

Total Depreciation Expense - Governmental Activities \$ 2,173,789

Business-Type Activities:

Water & Sewer Fund	\$ 483,822
Williamsburg County Transit System	384,503
E 911 Fund	<u>63,495</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 931,820</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Vehicles	\$ 131,600	\$ 0	\$ 0	\$ 131,600
Computer Equipment	187,751	0	0	187,751
Furniture & Fixtures	189,436	0	0	189,436
Total capital assets being depreciated	\$ 508,787	\$ 0	\$ 0	\$ 508,787
Less: Accumulated Depreciation	<u>(422,848)</u>	<u>(18,963)</u>	<u>0</u>	<u>(441,811)</u>
Net capital assets being depreciated	\$ <u>85,939</u>	\$ <u>(18,963)</u>	\$ <u>0</u>	\$ <u>66,976</u>
Depreciation Expense was charged to the component unit as follows:				
Cultural & Recreation	\$ <u>18,963</u>			

Total assets purchased under capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset Cost	\$ 5,335,111	\$ 657,949
Less: Accumulated Depreciation	<u>2,165,706</u>	<u>(21,932)</u>
Totals	\$ <u>3,169,405</u>	\$ <u>636,017</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,149,793	\$ 0
Rural Fire Fund	911	0
Landfill Fund	0	862,965
Other Governmental Funds	179,556	252,855
Debt Service Fund	0	160,132
Williamsburg County Transit System Fund	0	44,221
E911 Fund	0	1,008,669
Water & Sewer	<u>0</u>	<u>1,418</u>
Totals	\$ <u>2,330,260</u>	\$ <u>2,330,260</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 7 - CAPITAL LEASES

The County's governmental activities have six (6) lease purchase agreements and its business-type activities have one (1) lease purchase agreement. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, are as follows:

	Governmental Activities	Business-Type Activities	Total
2012	\$ 1,066,844	\$ 48,900	\$ 1,115,744
2013	850,338	48,900	899,238
2014	602,306	48,900	651,206
2015	1,470,197	48,900	1,519,097
2016	0	48,900	48,900
2017-2018	0	52,975	52,975
Total Minimum Lease Payments	\$ 3,989,685	\$ 297,475	\$ 4,287,160
Less: Amount Representing Interest	(275,284)	(85,079)	(360,363)
Totals	<u>\$ 3,714,401</u>	<u>\$ 212,396</u>	<u>\$ 3,926,797</u>

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2011:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 5,429,003	\$ 3,185,000	\$ (2,625,670)	\$ 5,988,333	\$ 591,666
Plus Unamortized Premium	17,044	81,508	(6,804)	91,748	0
IPRB Facilities Corp	0	30,000,000	0	30,000,000	0
Less Unamortized Discount	0	(407,500)	10,188	(397,312)	0
Bond Anticipation Notes	1,400,000	0	(240,000)	1,160,000	1,160,000
Total Bonds Payable	\$ 6,846,047	\$ 32,859,008	\$ (2,862,286)	\$ 36,842,769	\$ 1,751,666
Landfill Closure Cost	6,756,044	317,678	(197,102)	6,876,620	250,000
Capital Leases	1,607,977	3,014,858	(908,434)	3,714,401	962,135
Claims and Judgments	447,321	40,706	(29,927)	458,400	0
Compensated Absences	660,226	604,734	(660,226)	604,734	302,367
Totals	<u>\$ 16,317,615</u>	<u>\$ 36,836,984</u>	<u>\$ (4,657,975)</u>	<u>\$ 48,496,624</u>	<u>\$ 3,266,168</u>

The beginning balance for capital leases has been restated in the amount of \$117,016 for capital leases reported as operating leases.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
Revenue Bonds	\$ 2,568,105	\$ 4,271,000	\$ (27,570)	\$ 6,811,535	\$ 56,977
Bond Anticipation Notes	<u>3,215,195</u>	<u>3,708,876</u>	<u>(3,348,071)</u>	<u>3,576,000</u>	<u>3,576,000</u>
Total Bonds Payable	\$ 5,783,300	\$ 7,979,876	\$ (3,375,641)	\$ 10,387,535	\$ 3,632,977
Capital Leases	50,631	233,299	(71,534)	212,396	20,904
Vehicle Acquisition Plan	66,174	0	(22,058)	44,116	22,058
Claims and Judgments	129,706	23,994	0	153,700	0
Compensated Absences	<u>62,874</u>	<u>40,661</u>	<u>(62,874)</u>	<u>40,661</u>	<u>20,330</u>
Totals	\$ <u>6,092,685</u>	\$ <u>8,277,830</u>	\$ <u>(3,532,107)</u>	\$ <u>10,838,408</u>	\$ <u>3,696,269</u>

Component Unit:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Williamsburg County Library					
Claims and Judgments	\$ 10,787	\$ 0	\$ (10,787)	\$ 0	\$ 0
Compensated Absences	<u>12,677</u>	<u>11,443</u>	<u>(12,677)</u>	<u>11,443</u>	<u>11,443</u>
Totals	\$ <u>23,464</u>	\$ <u>11,443</u>	\$ <u>(23,464)</u>	\$ <u>11,443</u>	\$ <u>11,443</u>

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

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

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for obligations outstanding at June 30, 2011 are as follows:

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2012	3.00%	\$ 2,140,000	\$ 150,000	\$ 41,698	\$ 41,697	\$ 233,395
2013	3.00%	1,990,000	160,000	39,074	39,074	238,148
2014	3.25%	1,830,000	235,000	36,272	36,273	307,545
2015	3.25%	1,595,000	245,000	32,043	32,042	309,085
2016	3.50%	1,350,000	255,000	27,142	27,143	309,285
2017-2020	4.00%-4.10%	1,095,000	1,095,000	55,869	55,869	1,206,738
Totals			<u>\$ 2,140,000</u>	<u>\$ 232,098</u>	<u>\$ 232,098</u>	<u>\$ 2,604,196</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Total Annual Payments
2012	5.50%	\$ 133,333	\$ 66,666	\$ 7,400	\$ 74,066
2013	5.50%	66,667	66,667	3,703	70,370
Totals			<u>\$ 133,333</u>	<u>\$ 11,103</u>	<u>\$ 144,436</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Interest June 1	Total Annual Payments
2012	4.400%	\$ 685,000	\$ 215,000	\$ 15,413	\$ 15,412	\$ 245,825
2013	4.400%	470,000	230,000	10,575	10,575	251,150
2014	4.400%	240,000	240,000	5,400	5,400	250,800
Totals			<u>\$ 685,000</u>	<u>\$ 31,388</u>	<u>\$ 31,387</u>	<u>\$ 747,775</u>

Bond Anticipation Loans (Issued 06/04/11)
Maturity Date June 3, 2012

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest June 3	Total Annual Payments
2012	1.50%	\$ 1,160,000	\$ 1,160,000	\$ 17,284	\$ 1,177,284
Totals			<u>\$ 1,160,000</u>	<u>\$ 17,284</u>	<u>\$ 1,177,284</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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

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

Fiscal Year Ending	Interest Rate	Balance	Principal April 1	Interest October 1	Interest April 1	Total Annual Payments
2012	2.00%	\$ 3,030,000	\$ 160,000	\$ 51,806	\$ 51,806	263,612
2013	2.00%	2,870,000	160,000	50,206	50,206	260,412
2014	2.00%	2,710,000	75,000	48,606	48,607	172,213
2015	2.00%	2,635,000	75,000	47,856	47,856	170,712
2016	2.00%	2,560,000	50,000	47,106	47,107	144,213
2017-2021	2.00%-3.00%	2,510,000	585,000	226,506	226,507	1,038,013
2022-2026	3.00%-4.00%	1,925,000	1,925,000	118,500	118,500	2,162,000
Totals			\$ 3,030,000	\$ 590,586	\$ 590,589	\$ 4,211,175

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, 2011 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
2012	3.60%	\$ 30,000,000	\$ 0	\$ 966,654	\$ 966,654	1,933,308
2013	3.60%	30,000,000	0	966,654	966,654	1,933,308
2014	3.60%	30,000,000	0	966,653	966,654	1,933,307
2015	3.95%	30,000,000	140,000	966,653	964,132	2,070,785
2016	4.48%	29,860,000	375,000	964,132	956,720	2,295,852
2017-2021	4.83%-5.64%	29,485,000	2,795,000	4,660,421	4,589,612	12,045,033
2022-2026	5.64%-6.52%	26,690,000	4,130,000	4,199,186	4,070,433	12,399,619
2027-2031	6.53%	22,560,000	5,740,000	3,434,853	3,247,557	12,422,410
2032-2036	6.77%	16,820,000	7,510,000	2,362,454	2,108,015	11,980,469
2037-2044	6.77%	9,310,000	9,310,000	973,372	657,949	10,941,321
Totals			\$ 30,000,000	\$ 20,461,032	\$ 19,494,380	\$ 69,955,412

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The legal debt limit for the County is eight per centum of the assessed valuation of the taxable property in the County. Based on the 2010 assessed valuation of \$88,589,610 the legal debt limit is approximately \$7,087,000. At June 30, 2011, the County has general obligation bonds outstanding of \$2,290,000 subject to the legal debt limit.

Revenue Bonds of 2002 (Issued 05/17/02)

Maturity February 17, 2043

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	4.50%	\$ 440,826	\$ 5,113	\$ 21,347	\$ 26,460
2013	4.50%	435,713	6,996	19,464	26,460
2014	4.50%	428,717	7,317	19,143	26,460
2015	4.50%	421,400	7,654	18,806	26,460
2016	4.50%	413,746	8,005	18,455	26,460
2017-2021	4.50%	405,741	45,893	86,407	132,300
2022-2026	4.50%	359,848	57,447	74,853	132,300
2027-2031	4.50%	302,401	71,912	60,388	132,300
2032-2036	4.50%	230,489	90,019	42,281	132,300
2037-2041	4.50%	140,470	112,686	19,614	132,300
2042-2043	4.50%	27,784	27,784	732	28,516
Totals			\$ 440,826	\$ 381,490	\$ 822,316

Revenue Bonds of 2002 (Issued 05/17/02)

Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	4.50%	\$ 33,617	\$ 526	\$ 1,502	\$ 2,028
2013	4.50%	33,091	550	1,478	2,028
2014	4.50%	32,541	575	1,453	2,028
2015	4.50%	31,966	602	1,426	2,028
2016	4.50%	31,364	630	1,398	2,028
2017-2021	4.50%	30,734	3,608	6,532	10,140
2022-2026	4.50%	27,126	4,517	5,623	10,140
2027-2031	4.50%	22,609	5,656	4,484	10,140
2032-2036	4.50%	16,953	7,080	3,060	10,140
2037-2041	4.50%	9,873	8,862	1,278	10,140
2042	4.50%	1,011	1,011	4	1,015
Totals			\$ 33,617	\$ 28,238	\$ 61,855

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	4.375%	\$ 2,066,091	\$ 21,529	\$ 89,963	\$ 111,492
2013	4.375%	2,066,181	22,490	89,002	111,492
2014	4.375%	2,044,751	23,494	87,998	111,492
2015	4.375%	2,022,364	24,542	86,950	111,492
2016	4.375%	1,998,977	25,638	85,854	111,492
2017-2021	4.375%	1,974,547	146,412	411,048	557,460
2022-2026	4.375%	1,835,031	182,141	375,319	557,460
2027-2031	4.375%	1,661,472	226,588	330,872	557,460
2032-2036	4.375%	1,445,559	281,882	275,578	557,460
2037-2041	4.375%	1,176,957	350,669	206,791	557,460
2042-2046	4.375%	842,812	436,241	121,219	557,460
2047-2050	4.375%	427,126	324,465	23,233	347,698
Totals			<u>\$ 2,066,091</u>	<u>\$ 2,183,827</u>	<u>\$ 4,249,918</u>

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

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	2.25%	\$ 684,000	\$ 5,336	\$ 25,475	\$ 30,811
2013	2.25%	678,664	11,282	15,154	26,436
2014	2.25%	667,382	11,538	14,898	26,436
2015	2.25%	655,844	11,801	14,635	26,436
2016	2.25%	644,043	12,069	14,367	26,436
2017-2021	2.25%	631,974	64,587	67,593	132,180
2022-2026	2.25%	567,387	72,271	59,909	132,180
2027-2031	2.25%	495,116	80,868	51,312	132,180
2032-2036	2.25%	414,248	90,486	41,694	132,180
2037-2041	2.25%	323,762	101,251	30,929	132,180
2042-2046	2.25%	222,511	113,295	18,885	132,180
2047-2051	2.25%	109,216	109,216	5,523	114,739
Totals			<u>\$ 684,000</u>	<u>\$ 360,374</u>	<u>\$ 1,044,374</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Waterworks System Revenue Bonds Kingstree East Improvements (Issued 10/14/10)
Maturity October 14, 2050

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	3.00%	\$ 3,587,000	\$ 24,473	\$ 172,401	\$ 196,874
2013	3.00%	3,562,527	50,061	106,191	156,252
2014	3.00%	3,512,466	51,583	104,669	156,252
2015	3.00%	3,460,883	53,152	103,100	156,252
2016	3.00%	3,407,731	54,769	101,483	156,252
2017-2021	3.00%	3,352,962	299,870	481,390	781,260
2022-2026	3.00%	3,053,092	348,334	432,926	781,260
2027-2031	3.00%	2,704,758	404,632	376,628	781,260
2032-2036	3.00%	2,300,126	470,026	311,234	781,260
2037-2041	3.00%	1,830,100	545,990	235,270	781,260
2042-2046	3.00%	1,284,110	634,231	147,029	781,260
2047-2051	3.00%	649,879	649,879	45,126	695,005
Totals			<u>\$ 3,587,000</u>	<u>\$ 2,617,447</u>	<u>\$ 6,204,447</u>

Williamsburg County obtained interim financing for a waterworks improvement project that will be completed in fiscal year 2012 and refinanced with Rural Development Revenue Bonds.

Waterworks System Revenue Bond Anticipation Note

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2012	2.09%	\$ 3,576,000	\$ 3,576,000	\$ 75,000	\$ 3,651,000
Totals			<u>\$ 3,576,000</u>	<u>\$ 75,000</u>	<u>\$ 3,651,000</u>

The annual requirements to amortize bond anticipation notes, general obligation and revenue bonds, vehicle acquisition plan payments, and capital leases, as of June 30, 2011 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 2,713,801	\$ 2,280,534	\$ 4,994,335	\$ 3,680,521	\$ 409,102	\$ 4,089,623
2013	1,390,787	2,212,939	3,603,726	142,057	251,569	393,626
2014	1,098,293	2,167,878	3,266,171	126,645	244,923	371,568
2015	1,889,853	2,130,926	4,020,779	133,840	237,727	371,567
2016	680,000	2,069,350	2,749,350	141,637	229,931	371,568
2017-2021	4,475,000	9,814,784	14,289,784	609,907	1,056,408	1,666,315
2022-2026	6,055,000	8,506,619	14,561,619	664,710	948,630	1,613,340
2027-2031	5,740,000	6,682,410	12,422,410	789,656	823,684	1,613,340
2032-2036	7,510,000	4,470,469	11,980,469	939,493	673,847	1,613,340
2037-2041	9,310,000	1,631,321	10,941,321	1,119,458	493,883	1,613,341
2042-2046	0	0	0	1,212,562	287,869	1,500,431
2047-2051	0	0	0	1,083,560	73,882	1,157,442
Totals	<u>\$ 40,862,734</u>	<u>\$ 41,967,230</u>	<u>\$ 82,829,964</u>	<u>\$ 10,644,046</u>	<u>\$ 5,731,455</u>	<u>\$ 16,375,501</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 9 - OPERATING LEASES

The County was engaged in a 2-year noncancelable operating lease of an office building used for social services, which expired in November 2007 at a monthly lease payment of \$13,500. Rental expense associated with the lease for the year ended June 30, 2011 is \$162,000 and is reflected by the County as current-general government expenditures. The County is currently continuing to rent the office building used for social services in the amount of \$13,500 per month on a month-by-month basis.

NOTE 10 - CONTINGENCIES

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

Litigation: As of June 30, 2011, 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, 2011 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 approved a loan of \$520,650 from the revolving fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2011. County Council approved a loan of \$178,539 to the Performance Fabrics and Fibers, LLC with monthly payments of \$3,794 and a maturity date of December 15, 2011. This is a no interest and no recourse loan. The County Council approved a loan to Hemingway apparel in the amount of \$25,000 with a maturity date of December 31, 2011.

NOTE 11 - INTERFUND TRANSFER RECONCILIATION

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 283,478	\$ 818,310
Rural Fire Fund	230,640	77,769
Debt Service Fund	1,452,565	232,703
Landfill Fund	0	283,478
Capital Projects Fund	2,063	1,374,796
Other Governmental Funds	672,866	0
Williamsburg County Transit Enterprise Fund	<u>145,444</u>	<u>0</u>
Totals	<u>\$ 2,787,056</u>	<u>\$ 2,787,056</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 12 - DEFERRED COMPENSATION PLAN

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

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

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

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

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

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

South Carolina Retirement System (SCRS): Covered general County employees participate in the SCRS, a cost-sharing, multiple-employer, defined benefit pension plan. The SCRS provides retirement and disability benefits, with cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. Member employees currently contribute 6.50% of their annual compensation. The employer contribution is 9.39% 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 6.5% of their annual compensation. The employer contribution is 11.53% 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).

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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, 2011:

Primary Government	Payroll Covered	Contributions		
		Employee	Employer	Total
		SCRS	\$ 6,663,221	\$ 433,109
PORS	2,676,278	173,958	308,575	482,533
Totals	\$ 9,339,499	\$ 607,067	\$ 934,251	\$ 1,541,318

Component Unit	Payroll Covered	Contributions		
		Employee	Employer	Total
		SCRS	\$ 199,572	\$ 12,972
Totals	\$ 199,572	\$ 12,972	\$ 18,740	\$ 31,712

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

SCRS	6.50% of Salary
PORS	6.50% of Salary

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

SCRS Local Government	9.24%
PORS Local Government	11.13%

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
06/30/11	\$625,676	\$308,575	100%
06/30/10	\$639,979	\$288,466	100%
06/30/09	\$613,542	\$270,858	100%

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/11	\$18,740	100%
06/30/10	\$17,932	100%
06/30/09	\$17,948	100%

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

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

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

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 \$5,696,106 as of June 30, 2011 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 \$11,796 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 \$1,180,515 has been recorded as a liability which represents 85% usage of the landfill expansion.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL (CONTINUED)

	Beginning	Additions	Retirements	Ending
Estimated Liability for Closure & Post Closure	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
Landfill	\$ 5,587,325	\$ 305,882	\$ (197,102)	\$ 5,696,105
C&D Landfill	<u>1,168,719</u>	<u>11,796</u>	<u>0</u>	<u>1,180,515</u>
Totals	<u>\$ 6,756,044</u>	<u>\$ 317,678</u>	<u>\$ (197,102)</u>	<u>\$ 6,876,620</u>

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

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

NOTE 15 - DEFERRED REVENUE

Deferred revenue in the general fund represents current year taxes which do not meet the availability criteria for recognition of \$495,305 and deferred court fines of \$28,583, and deferred ambulance fees of \$329,831 and grant funds of \$328,453.

Deferred revenue in the landfill special revenue funds represents current year taxes which do not meet the availability criteria for revenue recognition of \$111,040.

Deferred revenue in the debt service fund of \$140,747 represents taxes receivable which do not meet the availability criteria for revenue recognition.

Deferred revenue in the rural fire fund represents current year taxes which do not meet the availability criteria for revenue recognition of \$83,011.

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2011:

	Water & Sewer Fund	Williamsburg County Transit System	E-911 Fund
Operating Revenues	\$ 984,793	\$ 813,457	\$ 492,282
Depreciation	483,822	384,503	63,495
Operating Income (Loss)	(125,668)	(1,550,508)	64,511
Interfund Transfers	0	145,444	0
Non-Operating Revenues (Expenses)	1,132,916	2,127,437	(203,191)
Net Income (Loss)	1,007,248	576,929	(138,680)
Property, Plant and Equipment			
Net Additions	5,931,919	804,008	235,964
Net Working Capital	(3,617,315)	1,729,666	(1,021,639)
Total Assets	28,864,657	4,154,206	922,739
Bonds and Other Long-Term Liabilities Payable			
from Revenues	6,755,830	164,084	222,222
Total Net Assets	17,603,594	3,681,419	(371,333)

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 19 - FUND BALANCE RESERVATIONS AND DESIGNATIONS

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

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

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

Restricted for Public Safety:

Rural Fire Funds	\$	223,931
Victim's Services		875
Sheriff's Narcotics Funds		<u>14,807</u>
	\$	<u>239,613</u>

Restricted for General Government:

Clerk of Court Title IVD Funds	\$	<u>58,365</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>106,587</u>
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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	\$	299,729
Grants Fund		<u>1,114</u>
	\$	<u>300,843</u>

Restricted for Public Works:

The fees assessed by the County Council for Roads and Bridges are restricted for that purpose	\$	<u>143,012</u>
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NOTE 20 - SUBSEQUENT EVENTS

On March 8, 2012, Williamsburg County issued a Waterworks and Sewer Improvement Bonds in the amount of \$9,528,000 at an interest rate of 1.9% with a 20 year maturity.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

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

Funding Policy

As of June 30, 2011, the County has not funded contributions to an irrevocable trust. In fiscal year 2011, the County contributes \$292 per retiree per month for health insurance, County retirees contribute 100% of monthly premiums for single health care in excess of the County's contribution of \$292. The County contributes \$12 per month per retiree for dental coverage. Retirees contributed 100% of the premium for single dental coverage in excess of the \$12 the County contributes. The County contributed the remaining premium of \$29,927.

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

Annual OPEB Cost and Funded Status and Funding Progress

For 2011, the annual OPEB cost (expense) was \$64,700 for the plan. The following table shows the components of the County's annual OPEB cost for 2011.

Normal Cost	\$	25,600
20 Year Amortization of Unfunded Accrued Liability		49,000
Total Annual Required Contribution (ARC)		74,600
Interest on Net OPEB Obligation		23,100
Less Net OPEB Adjustment		(33,000)
Annual OPEB Cost	\$	64,700

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

The County's annual OPEB cost, the cost contributed to the plan and the net OPEB (obligation) for 2011 were as follows:

Annual OPEB Cost Summary									
Plan Year	BOY NOPEBO	ARC	Int.	Adj.	Total	Actual Contributions	EOY NOPEBO	Int. Rate	Amort. Period
2008-09	\$ 0	\$ 300,300	\$ 0	0	\$ 300,300	\$ 4,600	\$ 295,700	6%	20
2009-10	295,700	293,000	0	0	293,000	11,700	577,000	6%	20
2010-11	577,000	74,600	23,100	(33,000)	64,700	29,900	611,800	4%	20

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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

As of June 30, 2011, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$856,600, with no plan assets resulting in an unfunded accrued liability for benefits of \$856,600. The covered payroll (annual payroll of active employees covered by the plan) was \$1,391,973, and the ratio of the UAAL to the covered payroll was 62%.

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, 2011 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, 2011 was 17 years.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$24,511,785 are as follows:

Capital Assets	\$ 44,864,286
Accumulated Depreciation	<u>(20,352,501)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 24,511,785</u>

Another element of that reconciliation is that "other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements." The details of this \$1,188,517 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 830,103
Ambulance fees deferred in Governmental Fund Statement	329,831
Court Fines deferred in Governmental Fund Statement	<u>28,583</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 1,188,517</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

**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 (\$47,990,844) are as follows:

Bonds Payable	\$	(37,148,333)
Less: Deferred Charge for Issuance Cost (to be amortized over life of debt)		698,675
Less: Unamortized Bond Discount (to be amortized as interest expense)		397,312
Plus: Issuance Premium (to be amortized as interest expense)		(91,748)
Accrued Interest Payable		(192,895)
Capital Leases Payable		(3,714,401)
Municipal Solid Waste Landfill Closure		
Postclosure Cost Accrual		(6,876,620)
Post Employment Benefits Payable		(458,100)
Compensated Absences		<u>(604,734)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net assets - governmental activities	\$	<u>(47,990,844)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$6,007,180 are as follows:

Capital Outlay	\$	8,180,969
Depreciation Expense		<u>(2,173,789)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>6,007,180</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

**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:

Police Fines	\$ (21,430)
Ambulance Fees	77,134
Property Taxes	<u>(16,759)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 38,945</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this (\$31,455,360) are as follows:

Debt issued or incurred:	
General Obligation Bonds Issued	\$ (33,185,000)
Lease Purchase Obligation Proceeds	(3,014,858)
Debt Issuance Costs	655,181
Post Employment Benefits	(40,706)
Bond Premium	(81,508)
Bond Discount	407,500
Principal repayments:	
General Obligation debt	2,865,670
Post Employment Benefits Payments	29,927
Capital Lease	<u>908,434</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (31,455,360)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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

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 (\$124,855) are as follows:

Compensated Absences	\$	55,492
Accrued Interest		40,970
Municipal Solid Waste Closure Postclosure Cost Accrual		(317,678)
Amortization of Issuance Costs		(97,357)
Amortization of Bond Premium and Bond Discounts		(3,384)
Municipal Solid Waste Closure Costs		<u>197,102</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(124,855)</u>

NOTE 23 - ECONOMIC DEPENDENCY

Williamsburg County collects property taxes from five taxpayers which represents 20% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Martek	Bioscience Industry	5,109,862
Santee Electric	Electric Utility	4,339,540
DART Industries	Manufacturer	2,902,024
Carolina Power & Light	Electric Utility	2,187,280
CSX Transportation, Inc.	Railroad	1,977,966

NOTE 24 - NET ASSETS RESTATEMENT

Net assets of the governmental activities has been restated in the amount of (\$117,016) to correctly record a capital lease that was previously unrecorded.

Beginning net assets - governmental activities, as previously reported	\$	12,031,695
Capital lease outstanding previously unrecorded		<u>(117,016)</u>
Beginning net assets - governmental activities, as restated	\$	<u>11,986,679</u>

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 10,776,715	\$ 10,915,278	\$ 11,106,511	\$ 191,233
Fees, Licenses, & Permits	137,000	97,166	102,665	5,499
Fines & Forfeitures	625,000	568,825	581,246	12,421
Charges for Services	958,400	1,041,554	1,041,554	0
Intergovernmental Revenue	2,298,735	2,163,087	2,250,350	87,263
Other Revenues	1,127,328	993,506	1,022,628	29,122
TOTAL REVENUE	\$ 15,923,178	\$ 15,779,416	\$ 16,104,954	\$ 325,538
EXPENDITURES				
County Council	188,615	191,490	191,227	263
Supervisor's Office	442,511	446,036	445,521	515
Information Technology	240,937	236,252	225,494	10,758
Council Discretionary	45,862	39,707	38,808	899
County Attorney	65,043	90,824	90,823	1
Treasurer	209,646	230,912	230,886	26
Building & Grounds	593,471	667,010	680,049	(13,039)
Chavis Building	156,226	124,811	109,935	14,876
Community Buildings	104,035	124,960	120,477	4,483
Health Department	88,432	101,607	101,347	260
Auditor	169,261	161,793	160,805	988
Tax Assessor	367,174	338,174	322,931	15,243
Tax Collector	107,536	109,188	109,184	4
Probate Judge	212,883	218,581	231,645	(13,064)
Clerk of Court	640,279	669,083	717,940	(48,857)
Magistrate	265,604	266,880	322,128	(55,248)
Hemingway Magistrate	39,098	40,772	40,323	449
Other Magistrates	184,674	181,724	181,722	2
Coroner	93,843	106,994	106,808	186
Emergency Management	104,750	112,916	112,804	112
Communications	554,148	591,968	590,200	1,768
Veterans Affairs Office	65,673	65,578	65,397	181
Department of Social Services	67,598	74,115	74,086	29
Aeronautics Commission	13,988	13,988	13,743	245
Development Board	152,227	152,656	146,141	6,515
Voter Registration	77,239	84,616	81,134	3,482
General Election Expenses	73,028	72,228	67,202	5,026
Solid Waste Disposal	262,816	935,570	986,704	(51,134)
Grant Administration	84,789	65,250	54,449	10,801
Tax Forms & Printing	41,550	47,819	47,817	2

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Other Government	\$ 403,764	\$ 403,764	\$ 403,764	\$ 0
Employee Benefits	2,202,870	1,936,498	1,909,503	26,995
Other Expenses	531,415	434,871	444,246	(9,375)
Summer Intern Program	42,929	52,888	52,881	7
Circuit Court Judge	1,925	5,812	5,662	150
Building Code Enforcement	92,065	92,013	87,973	4,040
Public Defender	31,853	30,600	29,596	1,004
Victim Advocates	37,264	38,569	38,512	57
Sheriff	1,827,657	1,905,530	1,980,151	(74,621)
Sheriff's Grant	0	179,625	179,625	0
Detention Center	1,380,418	1,386,424	1,462,100	(75,676)
Parole & Corrections	625	184	0	184
Solicitor's Office	69,000	69,000	69,000	0
Emergency Medical Services	1,186,735	1,205,990	1,281,517	(75,527)
Environmental Services	208,713	224,716	224,599	117
Social Service Agencies	80,271	68,229	66,387	1,842
Agencies	79,626	79,626	75,839	3,787
Senior Citizens	112,326	112,326	112,326	0
Recreation Department	474,702	548,441	528,558	19,883
Recycling Centers	518,011	543,171	543,166	5
Debt Service	55,000	48,613	47,633	980
Bond Issuance Costs	0	30,000	30,000	0
TOTAL EXPENDITURES	\$ 15,050,105	\$ 15,960,392	\$ 16,240,768	\$ (280,376)
EXCESS OF REVENUES OVER EXPENDITURES	\$ 873,073	\$ (180,976)	\$ (135,814)	\$ 45,162
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 9,602	\$ 284,018	\$ 283,478	\$ (540)
Transfers Out	(882,675)	(891,360)	(818,310)	73,050
Fund Balance Reservation	0	11,786	0	(11,786)
Lease Purchase Proceeds	0	776,532	856,421	79,889
TOTAL OTHER FINANCING SOURCES (USES)	\$ (873,073)	\$ 180,976	\$ 321,589	\$ 140,613

REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ <u>0</u>	\$ <u>0</u>	\$ 185,775	\$ <u>185,775</u>
FUND BALANCE, Beginning of Year			<u>4,293,059</u>	
FUND BALANCE, End of Year			\$ <u><u>4,478,834</u></u>	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
LANDFILL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Fees, Licenses & Permits	\$ 514,000	\$ 504,903	\$ 504,903	\$ 0
Charges for Services	120,000	178,913	105,474	(73,439)
Other Revenues	49,375	13,120	13,120	0
TOTAL REVENUES	<u>\$ 683,375</u>	<u>\$ 696,936</u>	<u>\$ 623,497</u>	<u>\$ (73,439)</u>
EXPENDITURES				
Environmental Services	<u>656,119</u>	<u>669,680</u>	<u>1,203,768</u>	<u>(534,088)</u>
TOTAL EXPENDITURES	<u>\$ 656,119</u>	<u>\$ 669,680</u>	<u>\$ 1,203,768</u>	<u>\$ (534,088)</u>
EXCESS REVENUES OVER EXPENDITURES	<u>\$ 27,256</u>	<u>\$ 27,256</u>	<u>\$ (580,271)</u>	<u>\$ (607,527)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(27,256)</u>	<u>(27,256)</u>	<u>(283,478)</u>	<u>(256,222)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (27,256)</u>	<u>\$ (27,256)</u>	<u>\$ (283,478)</u>	<u>\$ (256,222)</u>
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (863,749)</u>	<u>\$ (863,749)</u>
FUND BALANCE, Beginning of Year			<u>2,807,763</u>	
FUND BALANCE, End of Year			<u>\$ 1,944,014</u>	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 845,500	\$ 878,830	\$ 878,830	\$ 0
Intergovernmental Revenue	165,739	224,415	224,415	0
Other Revenues	1,000	5,204	5,204	0
TOTAL REVENUES	\$ 1,012,239	\$ 1,108,449	\$ 1,108,449	\$ 0
EXPENDITURES				
Public Safety	934,474	2,419,596	2,413,689	5,907
Debt Service:				
Principal	0	2,068,232	2,059,003	9,229
Interest	0	0	24,229	(24,229)
Bond Issuance Costs	0	0	120,877	(120,877)
TOTAL EXPENDITURES	\$ 934,474	\$ 4,487,828	\$ 4,617,798	\$ (129,970)
EXCESS REVENUES OVER EXPENDITURES	\$ 77,765	\$ (3,379,379)	\$ (3,509,349)	\$ (129,970)
OTHER FINANCING SOURCES (USES)				
General Obligation Bond Proceeds	0	3,185,000	3,185,000	0
Bond Premiums	0	56,508	81,508	25,000
Transfers In	0	215,640	230,640	15,000
Transfers (Out)	(77,765)	(77,769)	(77,769)	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ (77,765)	\$ 3,379,379	\$ 3,419,379	\$ 40,000
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ (89,970)	\$ (89,970)
FUND BALANCE, Beginning of Year			313,901	
FUND BALANCE, End of Year			\$ 223,931	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

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, Landfill 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 \$16,240,768 exceeded budget appropriations of \$15,960,392 by \$280,376. The expenditures were authorized by County Council.

The Landfill Fund's actual expenditures of \$1,203,768 exceeded budget appropriations of \$669,680 by \$534,088. The expenditures were authorized and resulted primarily from landfill closure costs.

The Rural Fire Fund's actual expenditures of \$4,617,798 exceeded budgeted appropriations of \$4,487,829 by \$129,970. 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, 2011**

SCHEDULE OF FUNDING PROGRESS

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual OPEB COST	Actual Contribution	Percent Funded
Primary Government			
2009	\$ 300,300	\$ 4,600	1.5%
2010	\$ 293,000	\$ 11,700	4.0%
2011	\$ 64,700	\$ 29,900	40.1%

SUPPLEMENTAL INFORMATION

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

SPECIAL REVENUE FUNDS

	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE	TOTAL
ASSETS						
Cash	\$ 147,559	\$ 629	\$ 39,986	\$ 14,807	\$ 44,495	\$ 247,476
Other Receivables	282,543	137,093	259,743	0	88,394	767,773
Due From Other Funds	0	179,556	0	0	0	179,556
Inventory	0	64,197	0	0	0	64,197
TOTAL ASSETS	\$ 430,102	\$ 381,475	\$ 299,729	\$ 14,807	\$ 132,889	\$ 1,259,002
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	176,133	174,266	0	0	10,781	361,180
Due to Other Funds	252,855	0	0	0	0	252,855
Accrued Wages & Benefits Payable	0	0	0	0	15,521	15,521
TOTAL LIABILITIES	\$ 428,988	\$ 174,266	\$ 0	\$ 0	\$ 26,302	\$ 629,556
FUND BALANCE						
Nonspendable:						
Inventory	0	64,197	0	0	0	64,197
Restricted for:						
Health & Human Services	0	0	0	0	106,587	106,587
Public Safety	0	0	0	14,807	0	14,807
Economic Development	1,114	0	299,729	0	0	300,843
Public Works	0	143,012	0	0	0	143,012
TOTAL FUND BALANCE	\$ 1,114	\$ 207,209	\$ 299,729	\$ 14,807	\$ 106,587	\$ 629,446
TOTAL LIABILITIES AND FUND BALANCE	\$ 430,102	\$ 381,475	\$ 299,729	\$ 14,807	\$ 132,889	\$ 1,259,002

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS					TOTAL
	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE FUND	
REVENUES						
Taxes	\$ 0	\$ 0	\$ 437,274	\$ 0	\$ 0	\$ 437,274
Fees, Licenses & Permits	0	709,845	0	0	88,899	798,744
Intergovernmental Revenue	2,177,076	0	0	0	464,454	2,641,530
Miscellaneous Revenues	0	76	21	13,250	28,501	41,848
TOTAL REVENUES	\$ 2,177,076	\$ 709,921	\$ 437,295	\$ 13,250	\$ 581,854	\$ 3,919,396
EXPENDITURES						
Current:						
Public Works	296,821	877,729	0	0	0	1,174,550
Public Safety	329,909	0	0	16,761	0	346,670
Health and Human Services	278,750	0	0	0	691,615	970,365
Environmental Services	70,931	0	0	0	0	70,931
Cultural & Recreation	60,924	0	0	0	0	60,924
Economic Development	679,922	0	577,877	0	0	1,257,799
Capital Outlay						
Public Works	422,302	2,386,459	0	0	0	2,808,761
Public Safety	49,805	0	0	0	0	49,805
Health & Human Services	24,545	0	0	0	0	24,545
Economic Development	7,583	0	23,065	0	0	30,648
TOTAL EXPENDITURES	\$ 2,221,492	\$ 3,264,188	\$ 600,942	\$ 16,761	\$ 691,615	\$ 6,794,998
EXCESS REVENUES OVER EXPEDITURES	(44,416)	(2,554,267)	(163,647)	(3,511)	(109,761)	(2,875,602)
OTHER FINANCING SOURCES (USES)						
Lease Purchase Proceeds	0	2,158,437	0	0	0	2,158,437
Transfers In	47,000	501,177	0	10,000	114,689	672,866
TOTAL OTHER FINANCING SOURCES (USES)	\$ 47,000	\$ 2,659,614	\$ 0	\$ 10,000	\$ 114,689	\$ 2,831,303
EXCESS REVENUES OVER EXPEDITURES AND OTHER FINANCING SOURCES (USES)	\$ 2,584	\$ 105,347	\$ (163,647)	\$ 6,489	\$ 4,928	\$ (44,299)
FUND BALANCE, Beginning of Year	(1,470)	101,862	463,376	8,318	101,659	673,745
FUND BALANCE, End of Year	\$ 1,114	\$ 207,209	\$ 299,729	\$ 14,807	\$ 106,587	\$ 629,446

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2011**

FINES AND FEES STATE PORTION

Public Defender Application Fees	\$	2,160
Marriage License Fee		3,290
Bond Echeatment		7,258
Circuit/Family Court Motion Fees		13,154
Family/Alimony/Child Support Fees		71,907
Circuit/Family Court Fines & Fees		21,118
Circuit/Family Court Filing Fees		28,836
Circuit/Family Court Filing Fees Increase \$50		26,071
Magistrate Filing Assessment Civil - \$25		8,100
Magistrage Filing Assessment Civil - \$10		5,750
Total State Portion Fines & Fees	\$	<u>187,644</u>

DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT

Magistrates' Court DUS DPS Pullout		6,986
General Sessions DUI Surcharge - \$100		721
General Sessions DUI DPS Pullout - \$100		6
Magistrates' Court DUI Surcharge		6,007
Magistrates' Court DUI DPS Pullout		6,007
Total DUI Assessments State Portion	\$	<u>19,727</u>

SURCHARGES STATE PORTION

General Sessions Court Drug Surcharge		1,608
Magistrates' Court Drug Surcharge		3,801
General Sessions Law Enforcement Surcharge		1,019
Magistrates' Court Law Enforcement Surcharges		60,872
Magistrates Criminal Justice Academy \$5 Surcharge		60
Other Assessment State Share		12,126
	\$	<u>79,486</u>

OTHER ASSESSMENTS STATE PORTION

General Sessions Court		2,321
Magistrates' Court		181,516
Total Other Assessments State Portion	\$	<u>183,837</u>

VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION

General Sessions Court		617
Magistrates' Court		22,809
Total Assessments County Portion	\$	<u>23,426</u>

SURCHARGES COUNTY PORTION

General Sessions Court		4,001
Magistrates' Court		20,705
Total Surcharges County Portion	\$	<u>24,706</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WILLIAMSBURG COUNTY TRANSIT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OPERATING REVENUES				
Charges for Services	\$ 1,127,300	\$ 1,127,300	\$ 813,451	\$ (313,849)
TOTAL OPERATING REVENUE	<u>1,127,300</u>	<u>1,127,300</u>	<u>813,451</u>	<u>(313,849)</u>
EXPENDITURES				
Administration				
Salaries	\$ 173,868	\$ 173,868	\$ 179,912	\$ (6,044)
Employee Benefits	67,500	67,500	41,843	25,657
Professional & Technical Services	10,000	10,000	13,388	(3,388)
Contract Maintenance Services	2,000	2,000	4,122	(2,122)
Custodial Services	3,500	3,500	1,395	2,105
Materials and Supplies	9,500	9,500	32,167	(22,667)
Utilities	78,000	78,000	29,077	48,923
Casualty and Liability Insurance	90,000	90,000	147,028	(57,028)
Dues & Subscription	700	700	720	(20)
Instate Travel & Meetings	0	0	3,827	(3,827)
Out of State Travel & Meetings	0	0	2,034	(2,034)
Advertising and Promotion	3,200	3,200	1,136	2,064
Other Miscellaneous	2,500	2,500	755	1,745
5311 Publication	2,500	2,500	0	2,500
Lease & Rentals	5,700	5,700	3,285	2,415
Training and Schools	0	0	255	(255)
Temp	2,000	2,000	0	2,000
Total Administrative	<u>450,968</u>	<u>450,968</u>	<u>460,944</u>	<u>(9,976)</u>
Operations				
Salaries	\$ 612,108	\$ 612,108	\$ 408,002	\$ 204,106
Employee Benefits	124,000	124,000	196,494	(72,494)
Uniforms	16,000	11,128	9,471	1,657
Fuel & Lubricants	388,000	388,000	421,593	(33,593)
Outside Trash Containers	2,300	2,300	0	2,300
Contract Service, Materials and Supplies	65,000	65,000	180,085	(115,085)
Vehicle Licensing and Fees	0	0	1,292	(1,292)
Drug Testing	1,500	1,500	1,101	399
Other Miscellaneous	11,000	15,872	31,998	(16,126)
Rental	0	0	1,169	(1,169)
In- State Travel	0	0	1,224	(1,224)
Out of State Travel	0	0	70	(70)
Training and Schools	0	0	700	(700)
Total Operations	<u>\$ 1,219,908</u>	<u>\$ 1,219,908</u>	<u>\$ 1,253,199</u>	<u>\$ (33,291)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WILLIAMSBURG COUNTY TRANSIT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
Title XIX				
Salaries	\$ 60,000	\$ 60,000	\$ 61,225	\$ (1,225)
Employee Benefits	17,500	17,500	17,578	(78)
Total Title XIX	\$ 77,500	\$ 77,500	\$ 78,803	\$ (1,303)
Capital				
Repairs and Maintenance Spare Parts	82,500	82,500	0	82,500
Salaries	104,668	104,668	150,358	(45,690)
Fringe Benefits	0	0	11,277	(11,277)
Contract Services	58,000	58,000	0	58,000
Total Capital Expenses	245,168	245,168	161,635	83,533
Other Operating Expenses				
Depreciation Expense	0	0	384,503	(384,503)
Capital Outlay	1,500,675	1,500,675	0	1,500,675
Post Employment Benefit Expense	15,000	15,000	18,012	(3,012)
Compensated Absence Expense	1,500	1,500	1,637	(137)
Other General Expense	10,002	10,002	5,226	4,776
Total Other Operating Expenses	1,527,177	1,527,177	409,378	1,117,799
TOTAL OPERATING EXPENSES	\$ 3,520,721	\$ 3,520,721	\$ 2,363,959	\$ 1,156,762
OPERATING INCOME	\$ (2,393,421)	\$ (2,393,421)	\$ (1,550,508)	\$ (1,470,611)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	15,000	15,000	14,882	(118)
Federal Administration Grant	224,054	224,054	224,054	0
Federal Operating Grants	328,198	328,198	273,894	(54,304)
Federal Capital Grant	1,421,714	1,421,714	1,366,338	(55,376)
State Administration Grant	28,007	28,007	28,007	0
State Operating Grant	152,043	152,043	124,890	(27,153)
State Capital Grant	78,961	78,961	73,314	(5,647)
State VAP Grant	0	0	22,058	22,058
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 2,247,977	\$ 2,247,977	\$ 2,127,437	\$ (120,540)
NET INCOME (LOSS) BEFORE TRANSFERS	\$ (145,444)	\$ (145,444)	\$ 576,929	\$ (1,591,151)

WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISION SCHEDULE
WILLIAMSBURG COUNTY TRANSIT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Transfers	145,444	145,444	145,444	0
Total Transfers	\$ 145,444	\$ 145,444	\$ 145,444	\$ 0
NET INCOME	\$ 0	\$ 0	\$ 722,373	\$ 722,373
NET ASSETS, Beginning of Year	2,959,046	2,959,046	2,959,046	0
NET ASSETS, END OF YEAR	<u>\$ 2,959,046</u>	<u>\$ 2,959,046</u>	<u>\$ 3,681,419</u>	<u>\$ 722,373</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Wastewater Treatment				
Wastewater Treatment Revenue	\$ 336,000	\$ 336,000	\$ 251,123	\$ (84,877)
Pretreatment Revenue	7,500	7,500	17,791	10,291
WasteWater (Sewer)				
Charges for Services	84,000	84,000	70,488	(13,512)
Tap Fees	2,500	2,500	0	(2,500)
Potable Water				
Charges for Services	628,000	628,000	534,096	(93,904)
Tap Fees	15,000	15,000	52,386	37,386
Penalties	12,000	12,000	9,183	(2,817)
Connection Fees	7,500	7,500	15,380	7,880
Reconnection Fees	7,500	7,500	9,088	1,588
Franchise Fees	3,500	3,500	6,194	2,694
Other Revenues	0	0	19,064	19,064
TOTAL REVENUE	\$ 1,103,500	\$ 1,103,500	\$ 984,793	\$ (118,707)

EXPENDITURES

Wastewater Treatment Plant

Salaries	\$ 43,640	\$ 68,704	\$ 68,704	\$ 0
Employee Benefits	9,054	11,967	11,955	12
Telephone	3,000	810	578	232
Postage	250	500	500	0
Office Supplies	750	750	249	501
Janitorial Supplies	150	150	50	100
Printing Supplies	150	150	0	150
Miscellaneous Expense	4,081	1,200	362	838
Property and Equipment Insurance	2,800	2,800	2,213	587
Tort Insurance	150	150	150	0
Machinery and Equipment Repairs	8,500	44,775	45,301	(526)
Electricity	108,000	88,888	80,069	8,819
Water and Sewer	4,000	2,507	2,871	(364)
Travel & Training	2,500	562	562	0
Membership & Dues	100	100	0	100
Independent Auditors	1,600	1,600	1,600	0
Legal Contractual Services	1,200	0	0	0
Workman's Compensation	389	589	584	5
Contractual Services O&M	87,000	86,553	79,695	6,858
Contractual Services Other	15,000	15,000	22,463	(7,463)
Operating Permits	1,500	1,330	1,330	0
Chemical Chlorine	6,500	4,266	4,665	(399)
Depreciation Expense	33,986	4,701	131,729	(127,028)

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Engineering	2,500	670	670	0
Lab Expense	450	450	307	143
General Expense	500	2,043	1,783	260
General and Admin. Expense	750	750	750	0
Equipment Rental	0	875	875	0
Computer Hardware	5,000	660	659	1
Total Wastewater Treatment Plant	\$ 343,500	\$ 343,500	\$ 460,674	\$ (117,174)
Wastewater (Sewer)				
Salaries	\$ 21,820	\$ 13,989	\$ 9,420	\$ 4,569
Employee Benefits	4,798	4,798	1,698	3,100
Office Supplies	200	200	22	178
Miscellaneous Expense	2,320	2,320	0	2,320
Property and Equipment Insurance	600	5,691	2,297	3,394
Machinery and Equipment Repairs	7,500	8,568	8,288	280
Electricity	27,500	27,500	16,437	11,063
Travel & Training	1,000	1,000	0	1,000
Workman's Compensation	260	295	292	3
Contractual Services O&M	8,286	8,286	1,200	7,086
Contractual Services Other	5,000	7,705	7,458	247
Depreciation Expense	2,716	2,716	108,733	(106,017)
Engineering	2,500	1,432	0	1,432
General Expense	200	200	96	104
Materials - Sewer Taps	1,800	1,800	0	1,800
Total Wastewater (Sewer)	\$ 86,500	\$ 86,500	\$ 155,941	\$ (69,441)
Potable Water				
Salaries	\$ 55,640	\$ 55,640	\$ 19,904	\$ 35,736
Employee Benefits	12,180	12,180	3,580	8,600
Telephone	5,500	4,545	3,288	1,257
Postage	3,000	3,000	1,995	1,005
Office Supplies	850	1,805	1,400	405
Advertising & Promortion	1,500	1,500	2,000	(500)
Printing Supplies	1,750	1,750	1,418	332
Miscellaneous Expense	22,990	17,241	1,304	15,937
Property and Equipment Insurance	4,000	4,000	3,145	855
Tort Insurance	150	150	150	0
Machinery and Equipment Repairs	18,000	37,950	37,748	202
Electricity	32,000	32,000	29,781	2,219
Travel & Training	2,500	6,489	5,949	540
Membership & Dues	300	300	300	0
Independent Auditors	1,600	1,600	1,600	0
Legal Contractual Services	750	1,255	0	1,255
Bank Charges Other	200	200	707	(507)
Workman's Compensation	649	649	584	65

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
Contractual Services O&M	85,000	85,000	77,036	7,964
Contractual Services Other	12,000	18,137	16,611	1,526
Operating Permits	10,000	10,000	0	10,000
Install Water Taps Contracted	12,500	12,500	8,031	4,469
Chemical Chlorine	7,500	8,143	8,219	(76)
Depreciation Expense	243,161	167,379	243,360	(75,981)
Engineering	1,500	995	300	695
Materials Water Taps	3,500	3,500	170	3,330
General Expense	750	1,362	1,175	187
General and Admin. Expense	750	750	750	0
Purchased Water for Resale	15,000	21,570	21,218	352
Expendable Furniture & Equipment	10,000	12,125	2,123	10,002
Total Potable Water	\$ 565,220	\$ 523,715	\$ 493,846	\$ 29,869
TOTAL OPERATING EXPENSES	\$ 995,220	\$ 953,715	\$ 1,110,461	\$ (156,746)
OPERATING INCOME	\$ 108,280	\$ 149,785	\$ (125,668)	\$ (275,453)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	6,000	6,000	2,643	(3,357)
Interest Expense	(114,280)	(155,785)	(284,053)	(128,268)
RDA Grant	0	0	944,408	944,408
Community Development Block Grant	0	0	469,918	469,918
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ (108,280)	\$ (149,785)	\$ 1,132,916	\$ 1,282,701
NET INCOME (LOSS)	\$ 0	\$ 0	\$ 1,007,248	\$ 1,007,248
NET ASSETS, Beginning of Year	16,596,346	16,596,346	16,596,346	0
NET ASSETS, END OF YEAR	\$ 16,596,346	\$ 16,596,346	\$ 17,603,594	\$ 1,007,248

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

	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	\$ 236,968
HOUSING AND URBAN DEVELOPMENT			
Passed Through S.C. Department of Commerce			
Town of Lane Sewer System Project	14.228	7-CL-07-001	66,340
Morris Corner Project	14.228	C1-09-023	403,578
HOMELAND SECURITY			
Assistance to Fire Fighters	97.044	EMW-2009-FO-02324	45,588
FEMA Assistance to Fire Fighters	97.044	EMW-2010-FO-04491	2,031
Safer Grant	97.044	EMW-2010-FF-00098	224,415
Passed Through SLED			
LEMPG	97.042	9EMPG01	28,033
LEMPG	97.042	8EMPG01	23,319
LEMPG	97.042	2010LEMPG	56,798
LEMPG	97.042	2011LEMPG	6,095
LEMPG	97.042	6EMPG01	4,656
Passed Through SCEMD			
Citizens Corp.	97.067	8CC001	3,245
Citizens Corp.	97.067	9CCP01	4,895
ENVIROMENTAL PROTECTION AGENCY			
Brownsfield Assessment Grant	66.818	BF954627100	23,755
DEPARMENT OF TRANSPORTATION			
Passed Through S.C. Department of Aeronautics			
Airport Improvement Program	20.106	3-45-0033-011-2009	10,875

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
DEPARTMENT OF TRANSPORTATION (Continued)			
Passed Through State of S.C.			
Department of Transportation			
Rural Transportation	20.509	MT-11011-03	613,348
Rural Transportation - ARRA	20.509	MT-110RR-93	116,138
Rural Transportation	20.509	MT-11009A5	280,596
Rural Transportation -Job Access & Reverse Commute	20.516	MT-01016-E5	67,734
Rural Transportation - ARRA	20.509	MT-01012-96	786,470
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Grant	16.804	2009-DJ-BX-1016	814
Equipment Upgrade	16.803	2010-DJ-BX-1264	9,283
DOJ Cops Grant	16.710	2008-CK-WY-0841	128,963
Security Enhancement ARRA	16.804	2009-SB-B9-3284	40,564
Passed Through SC Dept. of Public Safety			
Equipment Upgrade	16.803	1GS09150	5,266
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
RBEG Grant	10.769	N/A	26,501
RBEG Grant	10.783	SC-00-21	79,123
Water & Wastewater Disposal Systems for Rural Communities:			
East Kingtree Phase II RDA Loan Proceeds	10.760	N/A	3,576,000
East Kingtree Phase I RDA Loan Proceeds	10.760	N/A	1,054,545
Lane Sewer Project RDA Grant	10.760	N/A	428,130
East Kingtree Phase II RDA Grant	10.760	N/A	50,881
East Kingtree Phase I RDA Grant	10.760	N/A	465,396
Lane Sewer Project Loan Proceeds	10.760	N/A	1,260
Passed Through State of S.C.			
Summer Feeding Program	10.559	SF-110	<u>176,722</u>
TOTALS			\$ <u><u>9,048,325</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

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

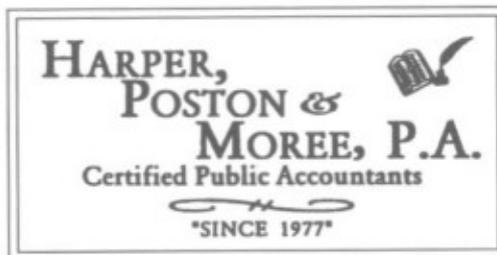
The following funds were audited as Major Funds for the year ended June 30, 2011:

Rural Transportation Grants	20.509
Rural Transportation Grant ARRA	20.509
Rural Transportation Grant	20.516
Community Development Block Grants	14.228
Rural Development Grants and Loans	10.760

NOTE D – RURAL DEVELOPMENT OUTSTANDING LOANS

The loan amounts reported on the Schedule of Expenditure of Federal Awards equal the loan proceeds drawn down for the fiscal year as well as interim loan proceeds which will be repaid when the RDA loans close. The outstanding balances of RDA loans at June 30, 2011 are as follows:

Rural Development Interim Financing Kingstree East I	\$3,576,000
Rural Development Loan Number 8	33,617
Rural Development Loan Number 10	440,826
Rural Development Loan Number 12	2,066,091
Rural Development Loan Number 16 Lane Sewer	<u>684,000</u>
	<u>\$6,800,534</u>



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

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

We have audited the financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 26, 2012. As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 54 in the current year. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Williamsburg County Alcohol & Drug Abuse Commission's special revenue fund, as described in our report on Williamsburg County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: Finding 2011-B1. A significant deficiency is a deficiency, or a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as 2011-B2.

We noted certain other matters that we reported to the management of the Williamsburg County in a separate letter dated March 26, 2012.

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

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

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
March 26, 2012



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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

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

Compliance

We have audited the compliance of Williamsburg County, South Carolina with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2011. Williamsburg County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Williamsburg County's management. Our responsibility is to express an opinion on the Williamsburg County's compliance based on our audit.

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

In our opinion, Williamsburg County, South Carolina complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major

federal programs identified in the accompanying schedule of findings and questioned cost for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
March 26, 2012

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. One significant deficiency was disclosed during the audit of the basic financial statements, which was not considered a material weakness, as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of non-compliance was disclosed during the audit of the financial statements.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Williamsburg County expresses an unqualified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
Rural Development Water & Waste Water Improvements	10.760
Rural Transportation Grant	20.509
Rural Transportation Grant	20.516
Rural Transportation Grant - ARRA	20.509
Community Development Block Grant	14.228

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

Significant Deficiencies:

Finding 2011-B1: Financial Statement and Note Disclosure Preparation

Condition: The County does not have a staff that can prepare the year end financial statements and required note disclosures in house.

Criteria: The County should have a staff that has the ability to prepare the year end financial statements and required note disclosures.

Cause: Lack of trained personnel.

Effect: Significant Deficiency in internal controls.

Recommendation: We recommend that training be provided to staff on financial statement preparation and note disclosure.

Management Response: Management concurs with this recommendation.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

B - FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

Noncompliance:

Finding 2011- B2: Collateralization of Deposits and Investments

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

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

Cause: Management or Bank Oversight.

Effect: Risk of loss of uninsured balances.

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

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

C - FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

None Noted.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

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.