

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 7.6 percent and 26.48 percent, respectively, of the assets and revenues of the other governmental funds.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund which represents 7.6 percent and 26.48 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion on the financial statements insofar as it relates to the amounts included for Williamsburg County Alcohol and Drug Abuse special revenue fund is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 62 through 66 and the schedule of funding progress and employer contribution on page 67, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
March 7, 2014

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, 2013. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2013 by \$37,320 (net position). This is an increase of \$4,003 from the prior year net position. This increase is due from the increase of grant revenues in Public Works.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$9,552. This is a decrease in fund balance from the prior year in the amount of \$11,536. This decrease in fund balance is due to the expenditure of the net proceeds from the Installment Purchase Revenue Bond (IPRB) for the construction of four county essential governmental buildings. Approximately 49% or \$4,679 of the total fund balance is available for spending at the government's discretion (unreserved fund balance). This unreserved total is 27% of the total general fund expenditures.
- ❖ Williamsburg County's long-term debt increased by \$7,747 during the current fiscal year. There was a principal reduction in the general obligation bonds of \$597, a reduction in capital leases in the amount of \$692 and an addition in revenue bonds in the amount of \$9,436. The Bond Anticipation Note purchased last year was reissued in 2013 with a principal reduction of \$270.

Overview of the Financial Statements

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

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

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

Government-wide financial statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Williamsburg County and are similar to private sector financial statements. They include a statement of net position and a statement of activities. These statements appear on pages 15 and 16 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Unit. For those readers interested in more information on the component unit, contact information is provided in Note 1. A. on page 29 of this report.

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2013. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position. Some included items,

such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

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

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

Governmental activities reported in the statements include general government, public safety, public works, health and welfare, economic development, culture and recreation, and environmental services (landfill). Major business activities include water and sewer, 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 17 through 20, essentially account for the same functions as those reported under government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Williamsburg County's near-term financing requirements and available resources.

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

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

Proprietary funds. Williamsburg County maintains and presents proprietary funds for three enterprises, Water and Sewer, Transit Authority and E-911, shown on pages 21 through 26 of this report.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Williamsburg County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 29 through 61.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Williamsburg County, assets exceed liabilities by \$37,320 at the close of the June 30, 2013 fiscal year.

Of this amount, \$33,981 (91%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment,) less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County’s net position, \$1,271 (3%) represents restrictions for Landfill Closure and Post Closure; \$2,273 (6%) represents restrictions for debt service; \$326 is restricted for public safety, \$7 is restricted for general government, \$340 is restricted for economic development and \$147 is restricted for health and human services.

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

**Williamsburg County’s Net Position
June 30, 2013
(Recapped from page 15)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	15,248	28,176	1,914	2,385	17,162	30,561
Capital assets	43,996	33,797	46,267	31,892	90,263	65,689
Total assets	59,244	61,973	48,181	34,277	107,425	96,250
Long-term liabilities outstanding	41,857	43,161	19,945	10,554	61,802	53,715
Other liabilities	6,530	8,399	1,773	819	8,303	9,218
Total liabilities	48,387	51,560	21,718	11,373	70,105	62,933
Net Position:						
Invested in capital assets, net of related debt	7,634	9,678	26,347	21,341	33,981	31,019
Restricted for:						
Public Safety	326	189	-	-	326	189
General Government	7	51	-	-	7	51
Landfill closure and post closure	1,271	1,023	-	-	1,271	1,023
Restricted - other	2,592	2,332	170	96	2,762	2,428
Unrestricted	(973)	(2,860)	(54)	1,467	(1,027)	(1,393)
Total net position	10,857	10,413	26,463	22,904	37,320	33,317

Governmental activities. Governmental activities increased the County’s net position by \$444. Of this increase, \$232 was monies transferred to the Business-type activities for general operation.

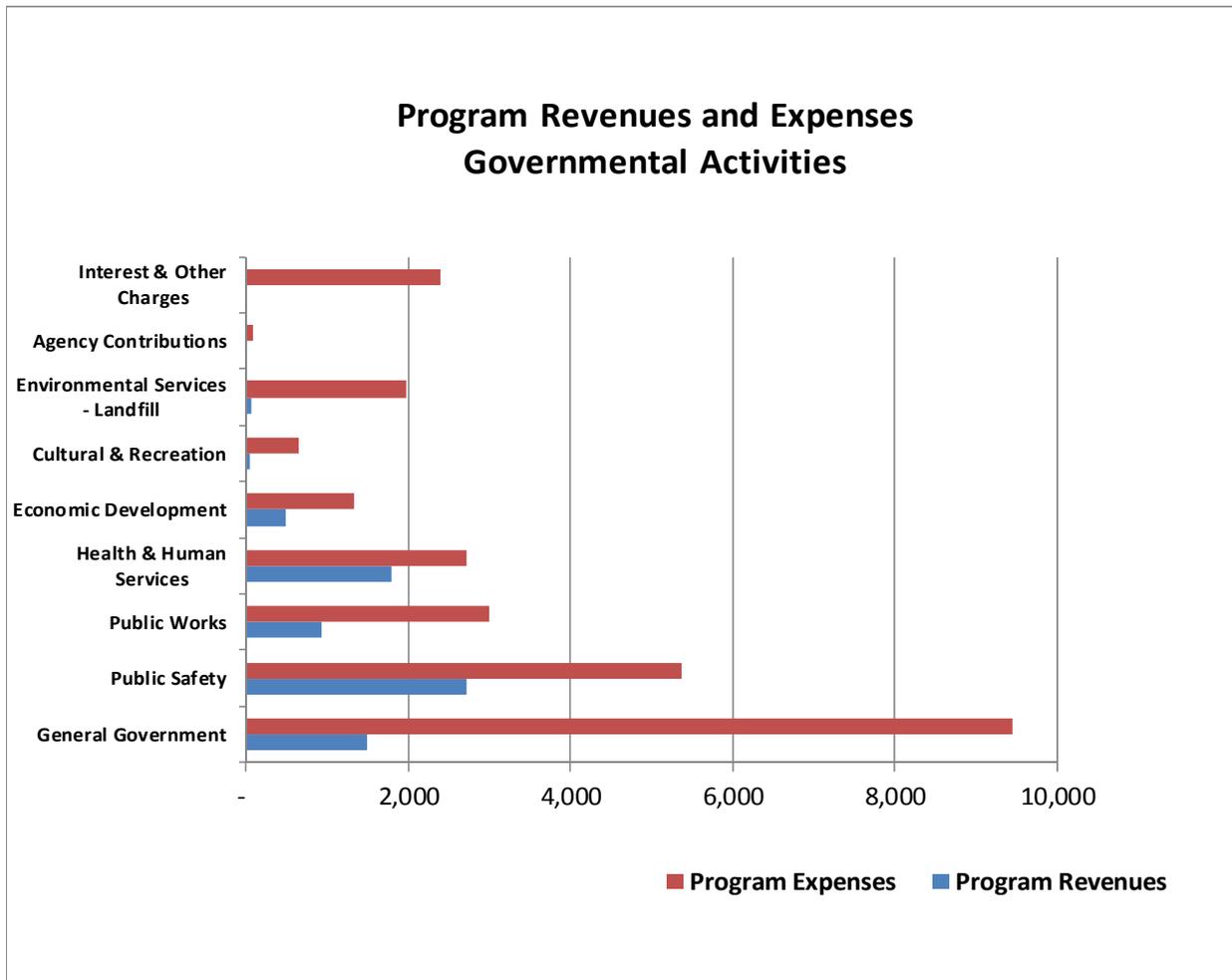
Business-type activities. Business-type activities increased the County’s net position by \$3,559 accounting for the largest portion of the increase in the government’s net position. Combined increase of Net Position is \$4,003.

Williamsburg County, South Carolina
Changes in Net Position (Recapped)
For the Fiscal Year ended June 30, 2013

Property tax revenues increased over last year by \$939 or 9%. This increase is primarily due to an increase in taxes levied for debt service and an expansion in the County's industrial base. The \$685 decrease in grant revenue in the governmental funds was primarily from decreased activity with airport improvement grants. Capital Grants increased in the proprietary funds by \$2,354 due to increased activity in the Water and Sewer Funds. Other revenue sources experienced moderate changes during the year, resulting in a combined increase of \$2,855. Program activities decreased by \$235 during the year, as a result of decreased grant activity.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	2,385	2,382	2,885	2,495	5,270	4,877
Operating grants and contributions	3,896	4,439	683	707	4,579	5,146
Capital grants and contributions	1,218	1,360	4,966	2,612	6,184	3,972
General revenues:						
Property taxes	11,829	10,890	-	-	11,829	10,890
Other taxes	2,170	2,144	-	-	2,170	2,144
Local government fund	1,266	1,060	-	-	1,266	1,060
Other revenue	4,913	5,088	25	-	4,938	5,088
Investment earnings	(25)	175	1	5	(24)	180
Total Revenue	27,652	27,538	8,560	5,819	36,212	33,357
Expenses:						
Program Activities:						
Government Activities:						
General government	9,453	8,983	-	-	9,453	8,983
Public safety	5,371	5,188	-	-	5,371	5,188
Public works	3,006	3,950	-	-	3,006	3,950
Health and welfare	2,720	2,705	-	-	2,720	2,705
Economic development	1,335	1,382	-	-	1,335	1,382
Culture and recreation	641	706	-	-	641	706
Environmental services	1,977	1,836	-	-	1,977	1,836
Agency contributions	79	66	-	-	79	66
Interest and other charges	2,394	2,395	-	-	2,394	2,395
Business-type activities:						
Water and Sewer Fund	-	-	2,000	1,604	2,000	1,604
Transit System	-	-	2,583	2,420	2,583	2,420
E-911 Fund	-	-	650	455	650	455
Total Expenses	26,976	27,211	5,233	4,479	31,489	31,690
Transfers	(232)	(706)	232	706	-	-
Increase in Net Position	444	(379)	3,559	2,046	4,003	1,667
Net Position 07/01/2012, restated	10,413	10,792	22,904	20,858	33,317	31,650
Net Position 06/30/2013	\$10,857	\$10,413	\$26,463	\$22,904	\$37,320	\$33,317

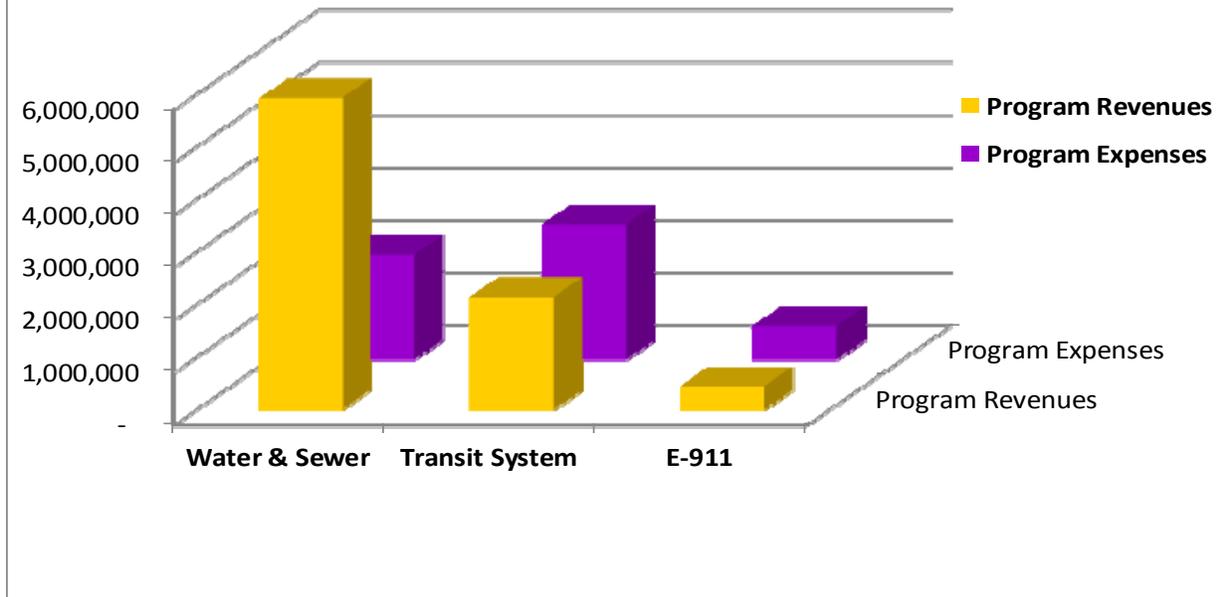
Program revenues are derived directly from the program. They reduce the net cost of the function to be supported from the county's general revenue sources.



The chart above shows the governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$2,474 for 2013. Governmental Activities received \$7,499 or 28% collectively in program revenues while the program expenditures were \$26,976. This requires the remaining 72% or \$19,477 of the revenues required to meet program expenditures to come from general revenue which includes taxes. This is 2% less received in 2013 from the prior year program revenues.

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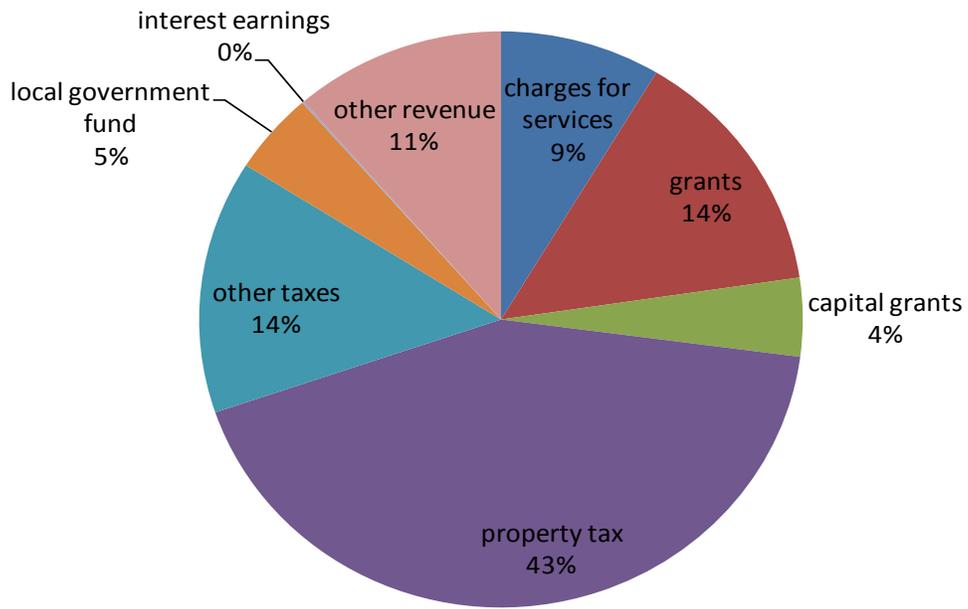
Program Revenues and Expenses Business Type Activities



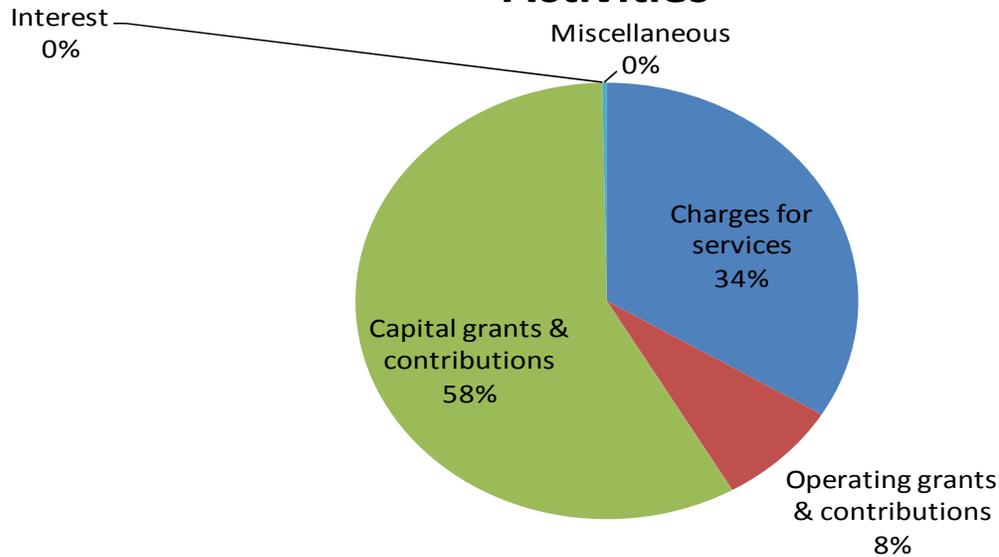
The chart above shows the Business-type activities of the county that are supported by Program Revenues. The only Business-type fund that is fully funded with its Program Revenues is the Water and Sewer Fund.

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Revenues by Source - Governmental Activities



Revenues by Source - Business Type Activities



Business-type funds increased revenue by \$2,719 or 47% while expenses increased by 17%. This increase is based primarily on the additional operating costs of the water lines that went in to service during the year. There were transfers of \$232 to the Business-Type funds to offset overages in expenditures from grants and various sources.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$9,552, a decrease of \$11,536 from the previous year. As stated on page 4 of this report, the decrease is primarily due from the expenditure of funds received from an Installment Purchase Revenue Bond (IPRB) in 2011 to build essential County buildings.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$4,738 for the general fund of which \$4,680 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27% of total general fund expenditures. The net increase in the fund balance of the general fund was \$189 during the current year. This increase is attributed an increase in tax revenue as discussed previously. Operating transfers (Out) from the general fund were \$300.

The rural fire fund has a total fund balance of \$206. This fund balance was reduced due to the reduction in grant revenue from the prior year.

The debt service fund has a total fund balance of \$1,949, all of which is reserved for the payment of debt service. An increase of \$176 in the fund balance is the result of increased taxes levied for the payment of debt associated with the 2011 IPRB.

The landfill closure fund has a fund balance of \$1,166, an increase of \$142. The other governmental funds included in the above totals had a combined fund balance of \$303.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. See pages 21 through 26.

Unrestricted net position of the Transit System totaled \$1,644. The E-911 Fund experienced a negative unrestricted net position of \$719, primarily due to the transfers due to the general fund for operating expenses not covered by subscriber fees. The net position for the Water and Sewer System increased \$3,927. The Transit net position decreased \$173. E-911 experienced a decrease in net position of \$195.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 62 and 64 of this report. The Taxes revenue category experienced an increase from the original budgeted amount. All other revenue streams experienced slight decreases from the original budget.

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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, 2013 amounted to \$90,263 (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 37%. Both governmental activities and business-type activities experienced an increase in capital assets for the fiscal year.

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

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

Capital Assets for Governmental and Business-type Activities

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	1,829	1,829	148	148	1,977	1,977
Land improvements	3,897	4,005	-	-	3,897	4,005
Buildings	19,488	10,758	10	16	19,498	10,774
Building improvements	1,901	1,901	29	33	1,930	1,934
Roads & Bridges	2,461	2,825	-	-	2,461	2,825
Water Distribution System	-	-	28,002	28,487	28,002	28,487
Leasehold improvements	204	228	-	-	204	228
Furniture & fixtures	658	727	6	8	664	735
Machinery & equipment	1,948	2,014	162	218	2,110	2,232
Automotive equipment	3,119	3,704	1,550	1,907	4,669	5,611
Communication equipment	148	166	661	700	809	866
Construction in progress	<u>8,343</u>	<u>5,640</u>	<u>15,699</u>	<u>375</u>	<u>24,042</u>	<u>6,015</u>
Total	<u>\$43,996</u>	<u>\$33,797</u>	<u>\$46,267</u>	<u>\$31,892</u>	<u>\$90,263</u>	<u>\$65,689</u>

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

Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$54,811 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation						
bonds	4,800	5,397	-	-	4,800	5,397
Unamortized Premium	120	85	-	-	120	85
Deferred Loss on Refunding Bond	(118)	-	-	-	(118)	-
IPRB Facilities Corp	30,000	30,000			30,000	30,000
Less Unamortized Discount	(370)	(384)			(370)	(384)
Bond anticipation						
notes	640	910	-	-	640	910
Revenue bonds	-	-	19,739	10,303	19,739	10,303
Total bonds payable	<u>35,072</u>	<u>36,008</u>	<u>19,739</u>	<u>10,303</u>	<u>54,811</u>	<u>46,311</u>
Capital leases	2,621	3,307	181	187	2,802	3,494
Vehicle Acquisition Plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>
Total	<u><u>37,693</u></u>	<u><u>39,315</u></u>	<u><u>19,920</u></u>	<u><u>10,551</u></u>	<u><u>57,613</u></u>	<u><u>49,866</u></u>

The County's total bonded debt increased by \$8,500 (18%) during the current fiscal year, primarily as a result of the increases in revenue bonds used to finance the expansion of the County's water supply system.

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 \$7,042. The current general obligation bonds subject to the legal debt limitation is \$880 for the General Fund. The bonds for the Rural Fire Debt and the Installment Purchase Revenue Bond (IPRB) are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District and part of the Public Facilities Corporation.

Additional information on the County's long-term debt can be found in note 8 on pages 42 through 49 of this report.

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Economic Factors and Next Year's Budgets and Rates

- ❖ As of December 2013 the annual average unemployment rate for Williamsburg County is 9.2%. This is a 1.6% decrease from the prior year of 10.9%. While this figure remains well above the national average, the rate is definitely trending in the right direction. The County recently announced that a manufacturer bringing 350 jobs will be relocating here within the next few months. There have also been multiple smaller gains throughout the county, as evidenced by the decreasing rate of unemployment.
- ❖ Williamsburg County currently has three industrial parks located in Kingtree, Hemingway and Salters, South Carolina. There are two speculative buildings available for qualifying prospects.
- ❖ Budget rates for Fiscal Year 2013/2014 are comparable to 2012/2013.

Requests for Information:

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

BASIC FINANCIAL STATEMENTS

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2013

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash	\$ 3,430,689	\$ 953,780	\$ 4,384,469	\$ 53,085
Investments	0	1,313,860	1,313,860	0
Accounts Receivable (Net of Allowance for Uncollectibles)	4,546,033	411,685	4,957,718	182,176
Internal Balances	993,723	(993,723)	0	0
Inventories	44,397	58,325	102,722	0
Deferred Charges	616,405	0	616,405	0
Temporarily Restricted Assets:				
Cash and Investments	5,617,319	170,250	5,787,569	0
Capital Assets (Net of Accumulated Depreciation):				
Land	1,829,225	148,000	1,977,225	0
Construction in Progress	8,342,867	15,698,230	24,041,097	0
Land Improvements	3,897,469	0	3,897,469	0
Roads & Bridges	2,460,947	0	2,460,947	0
Buildings	19,487,225	39,112	19,526,337	0
Building Improvements	1,901,147	0	1,901,147	0
Leasehold Improvements	203,755	0	203,755	0
Water & Wastewater System	0	28,002,168	28,002,168	0
Furniture & Fixtures	658,497	5,944	664,441	19,500
Machinery & Equipment	1,947,618	162,457	2,110,075	0
Automotive Equipment	3,118,863	1,549,974	4,668,837	20,530
Communication Equipment	147,949	661,385	809,334	0
TOTAL ASSETS	\$ 59,244,128	\$ 48,181,447	\$ 107,425,575	\$ 275,291
LIABILITIES				
Accounts Payable & Retainage Payable	1,962,327	1,290,370	3,252,697	5,692
Due to Others	808,044	0	808,044	0
Accrued Interest Payable	170,066	210,056	380,122	0
Accrued Salaries and Related Fringes	618,619	51,219	669,838	11,748
Customer Deposits	0	38,113	38,113	0
Unearned Revenue	253,890	0	253,890	0
Noncurrent Liabilities:				
Due Within One Year	2,717,130	183,679	2,900,809	17,624
Due In More Than One Year	41,857,468	19,944,935	61,802,403	0
TOTAL LIABILITIES	\$ 48,387,544	\$ 21,718,372	\$ 70,105,916	\$ 35,064
NET POSITION				
Net Investment in Capital Assets	7,633,964	26,347,519	33,981,483	40,030
Restricted For:				
Public Safety	325,905	0	325,905	0
General Government	7,415	0	7,415	0
Environmental Services	1,270,663	0	1,270,663	0
Economic Development	340,883	0	340,883	0
Health & Human Services	147,764	0	147,764	0
Debt Service	2,102,920	170,250	2,273,170	0
Unrestricted	(972,930)	(54,694)	(1,027,624)	200,197
TOTAL NET POSITION	\$ 10,856,584	\$ 26,463,075	\$ 37,319,659	\$ 240,227

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION			COMPONENT UNIT	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
Primary Government:								
Governmental Activities:								
General Government	\$ 9,452,483	\$ 527,684	\$ 961,582	\$ 0	\$ (7,963,217)	\$ 0	\$ (7,963,217)	
Public Safety	5,370,954	648,751	1,060,610	1,007,826	(2,653,767)	0	(2,653,767)	
Public Works	3,005,453	0	714,316	2,05,928	(2,085,209)	0	(2,085,209)	
Health & Human Services	2,720,334	1,134,598	657,508	0	(928,228)	0	(928,228)	
Economic Development	1,334,952	0	474,370	3,968	(856,614)	0	(856,614)	
Cultural & Recreation	641,115	26,477	14,643	0	(599,995)	0	(599,995)	
Environmental Services	1,976,791	47,600	12,833	0	(1,916,358)	0	(1,916,358)	
Agency Contributions	79,353	0	0	0	(79,353)	0	(79,353)	
Interest and Other Charges	2,394,393	0	0	0	(2,394,393)	0	(2,394,393)	
Total Governmental Activities	<u>26,975,828</u>	<u>2,385,110</u>	<u>3,895,862</u>	<u>12,17,722</u>	<u>(19,477,134)</u>	<u>0</u>	<u>(19,477,134)</u>	
Business-Type Activities:								
Water & Sewer Fund	1,999,920	1,179,993	0	4,747,089	0	3,927,162	3,927,162	
Williamsburg County Transit System	2,582,541	1,250,511	682,693	2,18,637	0	(430,700)	(430,700)	
E 911 Fund	649,998	454,641	0	0	0	(195,357)	(195,357)	
Total Business-Type Activities	<u>5,232,459</u>	<u>2,885,145</u>	<u>682,693</u>	<u>4,965,726</u>	<u>0</u>	<u>3,301,105</u>	<u>3,301,105</u>	
Total Primary Government	<u>32,208,287</u>	<u>5,270,255</u>	<u>4,578,555</u>	<u>6,183,448</u>	<u>(19,477,134)</u>	<u>3,301,105</u>	<u>(16,176,029)</u>	
Component Unit								
Williamsburg County Library	\$ 483,760	\$ 24,135	\$ 74,327	\$ 0	\$ 0	\$ 0	\$ (385,298)	
Total Component Unit	<u>483,760</u>	<u>24,135</u>	<u>74,327</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(385,298)</u>	
GENERAL REVENUES								
Taxes Levied for General Purposes					\$ 9,349,690	\$ 0	\$ 9,349,690	
Taxes Levied For Debt Services					2,479,445	0	2,479,445	
Contributions from Primary Government					0	0	0	
Road User Fees					878,808	0	878,808	
Solid Waste Fees					1,558,634	0	1,558,634	
Landfill Closure Fee					489,552	0	489,552	
Local Option Sales Tax					2,170,098	0	2,170,098	
Local Government Fund					1,266,269	0	1,266,269	
State Shared Taxes					1,768,748	0	1,768,748	
Interest					(25,223)	1,085	(24,138)	
Miscellaneous Revenue					217,142	25,121	242,263	
Transfers					(232,174)	232,174	0	
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					<u>19,920,989</u>	<u>258,380</u>	<u>20,179,369</u>	
CHANGES IN NET POSITION								
Beginning of Year (Restated)					\$ 443,855	\$ 3,559,485	\$ 4,003,340	
End of Year					10,412,729	22,903,590	33,316,319	
NET POSITION, Beginning of Year (Restated)					<u>10,856,584</u>	<u>26,463,075</u>	<u>37,319,659</u>	
NET POSITION, End of Year					<u>10,856,584</u>	<u>26,463,075</u>	<u>37,319,659</u>	

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 2,741,393	\$ 170,953	\$ 314,435	\$ 0	\$ 117	\$ 203,791	\$ 3,430,689
Cash Restricted	207,732	0	0	1,123,784	2,890,671	1,395,132	5,617,319
Court Fines Receivable (Net of Allowance)	114,041	0	0	0	0	0	114,041
Due from Others	43,353	0	0	0	0	0	43,353
Taxes Receivable (Net of Allowance)	1,187,236	95,798	0	0	254,040	124,001	1,661,075
Other Receivables	283,440	0	294,402	10	16,344	638,162	1,232,358
Due from State Government	1,495,206	0	0	0	0	0	1,495,206
Inventory	0	0	0	0	0	44,397	44,397
Due from Other Funds	2,627,447	45,027	0	0	0	0	2,672,474
TOTAL ASSETS	\$ 8,699,848	\$ 311,778	\$ 608,837	\$ 1,123,794	\$ 3,161,172	\$ 2,405,483	\$ 16,310,912
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable & Retainage Payable	1,570,069	24,476	21,177	334,287	0	12,318	1,962,327
Due to Other Funds	0	0	27,410	60,012	1,058,252	533,077	1,678,751
Due to Others	808,044	0	0	0	0	0	808,044
Accrued Wages & Benefits Payable	522,599	18,853	33,308	0	0	43,859	618,619
Deferred Revenue	1,061,157	62,009	253,890	0	153,821	160,554	1,691,431
TOTAL LIABILITIES	\$ 3,961,869	\$ 105,338	\$ 335,785	\$ 394,299	\$ 1,212,073	\$ 749,808	\$ 6,759,172
FUND BALANCE							
Nonspendable:	0	0	0	0	0	44,397	44,397
Inventory							
Restricted for:							
Public Safety	50,993	206,440	0	0	0	6,463	263,896
General Government	7,416	0	0	0	0	0	7,416
Debt Service	0	0	0	0	1,949,099	0	1,949,099
Capital Projects	0	0	0	729,495	0	0	729,495
Health & Human Services	0	0	0	0	0	147,764	147,764
Environmental Services	0	0	0	0	0	1,165,634	1,165,634
Economic Development	0	0	273,052	0	0	412,921	685,973
Public Works	0	0	0	0	0	(121,504)	(121,504)
Unassigned	4,679,570	0	0	0	0	0	4,679,570
TOTAL FUND BALANCE	\$ 4,737,979	\$ 206,440	\$ 273,052	\$ 729,495	\$ 1,949,099	\$ 1,655,675	\$ 9,551,740
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,699,848	\$ 311,778	\$ 608,837	\$ 1,123,794	\$ 3,161,172	\$ 2,405,483	\$ 16,310,912

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

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

Ending fund balances - governmental funds balance sheet	\$ 9,551,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,995,562
Other long-term assets, such as property taxes, court fines, ambulance fees, road user fees, landfill fees, and solid waste fess, are not available to pay for current expenditures, and, therefore, are deferred in the funds.	1,437,541
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>(44,128,259)</u>
Net position of governmental activities	<u><u>\$ 10,856,584</u></u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	GENERAL FUND	RURAL FIRE FUND	FEDERAL AND STATE GRANT FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 11,469,276	\$ 879,739	\$ 0	\$ 0	\$ 2,732,990	\$ 475,973	\$ 15,557,978
Fees, Licenses & Permits	82,241	0	0	0	0	1,324,573	1,406,814
Intergovernmental Revenue	1,960,367	299,697	2,976,161	593,162	0	237,578	6,066,965
Charges for Services	2,889,068	0	0	0	0	443,068	3,332,136
Fines & Forfeitures	543,911	0	0	0	0	0	543,911
Miscellaneous Revenues	474,924	35,177	0	824	(29,885)	84,773	565,813
TOTAL REVENUES	\$ 17,419,787	\$ 1,214,613	\$ 2,976,161	\$ 593,986	\$ 2,703,105	\$ 2,565,965	\$ 27,473,617
EXPENDITURES							
Current:							
General Government	9,190,246	0	0	0	0	0	9,190,246
Public Safety	4,197,227	0	102,249	0	0	59,669	4,359,145
Public Works	0	1,085,658	636,076	0	0	819,167	2,540,901
Health and Human Services	1,528,800	0	350,785	0	0	679,402	2,558,987
Cultural and Recreational	499,981	0	7,453	0	0	0	507,434
Economic Development	155,475	0	303,927	0	0	403,945	863,347
Environmental Services - Landfill	1,422,734	0	81,900	0	0	365,665	1,870,299
Other	79,353	0	0	0	0	0	79,353
Capital Outlay:							
General Government	0	0	0	2,799,947	0	0	2,799,947
Public Safety	0	545,097	12,676	9,227,867	0	0	9,785,640
Public Works	0	0	218,737	0	0	0	218,737
Economic Development	6,562	0	4,877	0	0	0	11,439
Debt Service:							
Principal	0	0	0	0	4,522,590	4,122	4,526,712
Interest	31,207	0	0	0	2,368,745	3,056	2,403,008
Bond Issuance Costs and Trustee Fees	10,000	0	0	0	82,501	0	92,501
TOTAL EXPENDITURES	\$ 17,121,585	\$ 1,630,755	\$ 1,718,680	\$ 12,027,814	\$ 6,973,836	\$ 2,335,026	\$ 41,807,696
EXCESS REVENUES OVER EXPENDITURES	\$ 298,202	\$ (416,142)	\$ 1,257,481	\$ (11,433,828)	\$ (4,270,731)	\$ 230,939	\$ (14,334,079)
OTHER FINANCING SOURCES (USES)							
Transfers In	0	400,000	6,315	1,000,000	2,095,517	0	3,501,832
Transfers (Out)	(299,586)	(1,926)	(1,000,000)	(1,988,510)	(400,000)	(43,984)	(3,734,006)
Bond Proceeds	0	0	0	0	2,695,000	0	2,695,000
Bond Premiums	0	0	0	0	56,625	0	56,625
Lease Purchase Proceeds	190,000	89,000	0	0	0	0	279,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (109,586)	\$ 487,074	\$ (993,685)	\$ (988,510)	\$ 4,447,142	\$ (43,984)	\$ 2,798,451
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 188,616	\$ 70,932	\$ 263,796	\$ (12,422,338)	\$ 176,411	\$ 186,955	\$ (11,535,628)
FUND BALANCE, Beginning of Year	4,549,363	135,508	9,256	13,151,833	1,772,688	1,468,720	21,087,368
FUND BALANCE, End of Year	\$ 4,737,979	\$ 206,440	\$ 273,052	\$ 729,495	\$ 1,949,099	\$ 1,655,675	\$ 9,551,740

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, 2013**

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

Net change in fund balances - total governmental funds	\$	(11,535,628)
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.		10,214,055
Revenues in the statement of activities, such as property taxes, ambulance fees, court fines, road user fees, landfill fees, and solid waste fees that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.		178,240
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,674,127
In the statement of activities, only the gain on the sale of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.		(15,911)
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>(71,028)</u>
Change in net position of governmental activities	\$	<u><u>443,855</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 374,364	\$ 496,219	\$ 83,197	\$ 953,780
Investments	0	1,313,860	0	1,313,860
Restricted Cash & Investments	170,250	0	0	170,250
Inventory	31,433	26,892	0	58,325
Accounts Receivable, Net of Allowance	111,358	23,590	0	134,948
Receivable - Other	42,311	145,084	89,342	276,737
TOTAL CURRENT ASSETS	\$ 729,716	\$ 2,005,645	\$ 172,539	\$ 2,907,900
PROPERTY, PLANT, AND EQUIPMENT				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	15,698,230	0	0	15,698,230
Water & Sewer System	32,549,558	0	0	32,549,558
Furniture and Fixtures	0	0	29,714	29,714
Machinery and Equipment	0	249,469	341,810	591,279
Vehicles	48,499	3,573,307	19,559	3,641,365
Buildings & Improvements	0	172,099	110,102	282,201
Communication Equipment	0	0	885,770	885,770
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(4,565,538)	(2,372,937)	(633,816)	(7,572,291)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 43,850,749	\$ 1,663,382	\$ 753,139	\$ 46,267,270
TOTAL ASSETS	\$ 44,580,465	\$ 3,669,027	\$ 925,678	\$ 49,175,170

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
LIABILITIES				
SHORT-TERM LIABILITIES				
Accounts Payable	\$ 523,998	\$ 48,132	\$ 138	\$ 572,268
Salaries & Accrued Benefits	5,976	43,317	1,926	51,219
Retainage Payable	718,102	0	0	718,102
Due to Other Funds	38,584	91,833	863,306	993,723
Compensated Absences Payable	2,187	19,034	1,032	22,253
Bonds Payable - RDA	124,736	0	0	124,736
Capital Leases Payable	0	0	36,690	36,690
Accrued Interest Payable	210,056	0	0	210,056
Customer Deposits	38,113	0	0	38,113
TOTAL SHORT-TERM LIABILITIES	\$ 1,661,752	\$ 202,316	\$ 903,092	\$ 2,767,160
LONG-TERM LIABILITIES				
Compensated Absences Payable	2,188	22,344	1,030	25,562
OPEB Liability	0	136,637	24,411	161,048
Capital Leases Payable	0	0	144,029	144,029
Bonds Payable - RDA	19,614,296	0	0	19,614,296
TOTAL LONG-TERM LIABILITIES	\$ 19,616,484	\$ 158,981	\$ 169,470	\$ 19,944,935
TOTAL LIABILITIES	\$ 21,278,236	\$ 361,297	\$ 1,072,562	\$ 22,712,095
NET POSITION				
Net Investment in				
Capital Assets	24,111,717	1,663,382	572,420	26,347,519
Restricted for Debt Service	170,250	0	0	170,250
Unrestricted	(979,738)	1,644,348	(719,304)	(54,694)
TOTAL NET POSITION	\$ 23,302,229	\$ 3,307,730	\$ (146,884)	\$ 26,463,075

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 1,179,993	\$ 1,250,511	\$ 454,641	\$ 2,885,145
TOTAL OPERATING REVENUES	\$ 1,179,993	\$ 1,250,511	\$ 454,641	\$ 2,885,145
OPERATING EXPENSES				
Cost of Sales & Services	594,128	829,164	364,874	1,788,166
Personnel & Benefits	167,593	1,110,689	44,755	1,323,037
Administration	40,120	180,248	101,983	322,351
Depreciation	813,098	381,338	88,762	1,283,198
TOTAL OPERATING EXPENSES	\$ 1,614,939	\$ 2,501,439	\$ 600,374	\$ 4,716,752
OPERATING INCOME (LOSS)	\$ (434,946)	\$ (1,250,928)	\$ (145,733)	\$ (1,831,607)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	77	653	355	1,085
Interest Expense	(384,981)	0	(49,624)	(434,605)
RDA Grant	4,747,059	0	0	4,747,059
CDBG Block Grant	30	0	0	30
Insurance Proceeds	0	25,121	0	25,121
Loss on Disposal of Capital Assets	0	(81,102)	0	(81,102)
Government Subsidies	0	901,330	0	901,330
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 4,362,185	\$ 846,002	\$ (49,269)	\$ 5,158,918
INCOME (LOSS) BEFORE TRANSFERS	\$ 3,927,239	\$ (404,926)	\$ (195,002)	\$ 3,327,311
TRANSFERS				
Transfers In	0	232,174	0	232,174
TOTAL TRANSFERS	\$ 0	\$ 232,174	\$ 0	\$ 232,174

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
CHANGE IN NET POSITION	\$ 3,927,239	\$ (172,752)	\$ (195,002)	\$ 3,559,485
NET POSITION, Beginning of Year, As Restated	19,374,990	3,480,482	48,118	22,903,590
NET POSITION, End of Year	\$ 23,302,229	\$ 3,307,730	\$ (146,884)	\$ 26,463,075

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, 2013**

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,147,268	\$ 1,296,213	\$ 394,650	\$ 2,838,131
Cash Payments to Suppliers for Goods and Services	(536,108)	(935,524)	(219,126)	(1,690,758)
Cash Payments to and for Employee's Benefit	(166,024)	(1,101,265)	(50,525)	(1,317,814)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 445,136	\$ (740,576)	\$ 124,999	\$ (170,441)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	0	760,049	0	760,049
Payments Received from Other Funds	0	232,174	0	232,174
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 0	\$ 992,223	\$ 0	\$ 992,223
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants Received	4,917,078	126,646	0	5,043,724
Insurance Proceeds - Equipment Damage	0	25,121	0	25,121
Property, Plant and Equipment Additions	(14,804,272)	(74,586)	(20,000)	(14,898,858)
Principal Payment Revenue Bonds	(92,195)	0	0	(92,195)
Revenue Bond Proceeds	9,528,000	0	0	9,528,000
Principal Payment Capital Leases	0	0	(6,191)	(6,191)
Interest Paid	(230,474)	0	(49,624)	(280,098)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (681,863)	\$ 77,181	\$ (75,815)	\$ (680,497)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	0	(653)	0	(653)
Interest Received	77	653	355	1,085
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 77	\$ 0	\$ 355	\$ 432
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (236,650)	\$ 328,828	\$ 49,539	\$ 141,717

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, 2013

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
CASH AND CASH EQUIVALENTS,				
Beginning of Year	\$ 781,264	\$ 167,391	\$ 33,658	\$ 982,313
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 544,614</u>	<u>\$ 496,219</u>	<u>\$ 83,197</u>	<u>\$ 1,124,030</u>
Cash	374,364	496,219	83,197	953,780
Cash Restricted	<u>170,250</u>	<u>0</u>	<u>0</u>	<u>170,250</u>
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 544,614</u>	<u>\$ 496,219</u>	<u>\$ 83,197</u>	<u>\$ 1,124,030</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (434,946)	\$ (1,250,928)	\$ (145,733)	\$ (1,831,607)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	813,098	381,338	88,762	1,283,198
(Increase) Decrease in Accounts and Other Operating Receivables	(32,725)	45,702	(59,991)	(47,014)
(Increase) Decrease in Inventory	(31,433)	39,145	0	7,712
(Increase) Decrease in Prepaid Expenses	93,907	0	0	93,907
Increase (Decrease) in Due to State	(20,644)	0	0	0
Increase (Decrease) in Due to General Fund	9,142	84,801	247,595	341,538
Increase (Decrease) in Accounts Payable	43,593	(50,058)	138	(6,327)
Increase (Decrease) in Salaries and Compensated Absences Payable	1,569	9,424	(5,772)	5,221
Increase (Decrease) in Customer Deposits	<u>3,575</u>	<u>0</u>	<u>0</u>	<u>3,575</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 445,136</u>	<u>\$ (740,576)</u>	<u>\$ 124,999</u>	<u>\$ (170,441)</u>
NON CASH CAPITAL AND FINANCING ACTIVITIES				
State Vehicle Acquisition Plan	\$ 0	\$ 60,946	\$ 0	\$ 60,946
	<u>\$ 0</u>	<u>\$ 60,946</u>	<u>\$ 0</u>	<u>\$ 60,946</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 2,495,421	\$ 247,113	\$ 2,742,534
Note Receivable, Net of Allowance	<u>0</u>	<u>592,909</u>	<u>592,909</u>
TOTAL ASSETS	\$ <u>2,495,421</u>	\$ <u>840,022</u>	\$ <u>3,335,443</u>
LIABILITIES			
Due to Other Taxing Units	1,793,450	0	1,793,450
Due to Estate & Trust Beneficiaries	203,204	0	203,204
Due to Others	117,259	0	117,259
Due to Bidders & Redeemers of Land Sales	251,694	0	251,694
Due to Fine Recipients and Bond Payors	91,629	0	91,629
Due to Support Recipients	3,198	0	3,198
Due to Seized Asset Recipient	<u>34,987</u>	<u>0</u>	<u>34,987</u>
TOTAL LIABILITIES	\$ <u>2,495,421</u>	\$ <u>0</u>	\$ <u>2,495,421</u>
NET POSITION			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 840,022</u>	<u>\$ 840,022</u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	REVOLVING LOAN TRUST FUND
	<u> </u>
ADDITIONS	
Interest Income	\$ <u> 3,823</u>
TOTAL ADDITIONS	<u> 3,823</u>
 DEDUCTIONS	
Program Expenses	<u> 0</u>
TOTAL DEDUCTIONS	<u> 0</u>
 CHANGE IN NET POSITION	 \$ <u> 3,823</u>
 NET POSITION, Beginning of Year	 <u> 836,199</u>
NET POSITION, End of Year	<u><u> 840,022</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, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The State of South Carolina established the County under the provisions of the South Carolina Home Rule Act. Williamsburg County operates under the Council - Supervisor form of government and provides the following services: general administrative services, public safety, courts, highways and streets, sanitation, health and human services, culture and recreation programs, public improvements and other miscellaneous services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading.

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

Discretely Presented Component Unit

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The County implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* during the year. The reader will note a change in terminology from “net assets” to “net position;” otherwise, the implementation of this statement does not have an impact on the County’s financial statements.

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

The County reports the following major governmental funds:

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

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

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary funds:

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

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

E911 Fund: The E911 fund 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.

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 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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Interfund Receivables and Payables

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

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

F. Receivables

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

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

G. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount of inventories on hand at year end for the governmental fund types consist of gasoline and diesel fuel. Inventories are valued at cost using the average cost method. The business-type activities inventories on hand at June 30, 2013 consist of gasoline, diesel fuel, operating supplies and parts needed for repairs.

H. Restricted Assets

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

I. Capital Assets

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

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

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position. 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.

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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Nonexchange Transactions

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

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

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

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

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

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

N. Net Position/Fund Balances

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

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

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

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

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, the County's bank balance was \$11,340,031 with a carrying value of \$9,939,056. Of the bank balance of \$11,340,031, the amount that was exposed to custodial credit risk was \$1,364,256 which was uninsured and uncollateralized which violates state law.

INVESTMENTS

As of June 30, 2013, 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	\$ 932,689	<1
Wells Fargo Money Market	Unrated	2,333,845	<1
Build America Bonds, Series A	AA	1,017,930	>10
		\$ 4,284,464	

^ 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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 County primarily uses the South Carolina Local Government Investment Pool for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

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

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

Concentration of Credit Risk: The County places no limit on the amount the 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	\$	8,440,863
Restricted Cash and Investments		5,787,569
Total Cash and Investments	\$	<u>14,228,432</u>
Petty Cash	\$	4,912
Deposits Carrying Value		9,939,056
Investments		4,284,464
Total Cash and Investments	\$	<u>14,228,432</u>

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$53,085, which were insured by the Federal Depositors Insurance Corporation.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2013 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,661,075	\$ 0	\$ 1,661,075
Accounts Receivable, Net	0	134,948	134,948
Due From Others	43,353	0	43,353
Due From State Government	1,495,206	0	1,495,206
Court Fines Receivable, Net	114,041	0	114,041
Other Receivables	1,232,358	276,737	1,509,095
Total Receivables	\$ <u>4,546,033</u>	\$ <u>411,685</u>	\$ <u>4,957,718</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 3 - RECEIVABLES (CONTINUED)

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$509,592. Court fines receivable are reported net of an allowance for uncollectible fines of \$28,510 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$1,545,826. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$36,336. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$71,079.

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

NOTE 4 - RESTRICTED ASSETS

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

Governmental Activities

Special Fees:

Landfill Closure Post Closure	\$ 1,395,132
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Debt Service Funds:

Restricted for Debt Service	2,890,671
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Lease Purchase Proceeds Restricted for Capital Purchases	207,732
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Capital Projects Fund - IPRBF:

Restricted for Capital Improvements	1,123,784
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Total Restricted Governmental Activities	\$ <u>5,617,319</u>
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Business-Type Activities

Water and Sewer Fund:

Restricted for Debt Service Reserve Requirements	\$ 170,250
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Total Restricted Business-Type Activities	\$ <u>170,250</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 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	5,640,346	6,272,333	3,569,812	8,342,867
Total, not being Depreciated	<u>\$ 7,469,571</u>	<u>\$ 6,272,333</u>	<u>\$ 3,569,812</u>	<u>\$ 10,172,092</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 6,951,625	\$ 218,637	\$ 0	\$ 7,170,262
Road and Bridges	5,460,399	0	0	5,460,399
Buildings	13,850,957	9,195,100	0	23,046,057
Building Improvements	4,841,592	97,483	0	4,939,075
Leasehold Improvements	541,877	0	0	541,877
Furniture & Fixtures	1,741,394	15,000	0	1,756,394
Machinery & Equipment	4,020,249	296,625	43,626	4,273,248
Automotive Equipment	11,260,342	290,397	470,873	11,079,866
Communication Equipment	285,025	0	0	285,025
Total, being Depreciated	<u>\$ 48,953,460</u>	<u>\$ 10,113,242</u>	<u>\$ 514,499</u>	<u>\$ 58,552,203</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (2,946,537)	\$ (326,256)	\$ 0	\$ (3,272,793)
Road and Bridges	(2,635,861)	(363,591)	0	(2,999,452)
Buildings	(3,093,330)	(465,502)	0	(3,558,832)
Building Improvements	(2,940,158)	(97,770)	0	(3,037,928)
Leasehold Improvements	(314,000)	(24,122)	0	(338,122)
Furniture & Fixtures	(1,014,584)	(83,313)	0	(1,097,897)
Machinery & Equipment	(2,005,993)	(363,263)	43,626	(2,325,630)
Automotive Equipment	(7,556,553)	(859,412)	454,962	(7,961,003)
Communication Equipment	(118,597)	(18,479)	0	(137,076)
Total Accumulated Depreciation	<u>\$ (22,625,613)</u>	<u>\$ (2,601,708)</u>	<u>\$ 498,588</u>	<u>\$ (24,728,733)</u>
Total, being Depreciated, Net	<u>\$ 26,327,847</u>	<u>\$ 7,511,534</u>	<u>\$ 15,911</u>	<u>\$ 33,823,470</u>
Total Governmental Activities, Net	<u>\$ 33,797,418</u>	<u>\$ 13,783,867</u>	<u>\$ 3,585,723</u>	<u>\$ 43,995,562</u>

Capital Asset additions in the governmental funds totaled \$12,815,763, and the current year depreciation expense totaled \$2,601,708. Assets totaling \$514,499 with a net book value of \$15,911 were disposed of during the year resulting in a loss of \$15,911 on disposal of capital assets.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	375,213	15,500,256	177,239	15,698,230
Total, not being Depreciated	<u>\$ 523,213</u>	<u>\$ 15,500,256</u>	<u>\$ 177,239</u>	<u>\$ 15,846,230</u>
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	194,731	0	0	194,731
Building Improvements	87,470	0	0	87,470
Water and Sewer System	32,227,655	321,903	0	32,549,558
Furniture & Fixtures	29,714	0	0	29,714
Machinery & Equipment	624,670	0	33,391	591,279
Automotive Equipment	4,402,919	74,586	836,140	3,641,365
Communication Equipment	865,770	20,000	0	885,770
Total, being Depreciated	<u>\$ 38,446,373</u>	<u>\$ 416,489</u>	<u>\$ 869,531</u>	<u>\$ 37,993,331</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(178,545)	(5,761)	0	(184,306)
Building Improvements	(54,137)	(4,646)	0	(58,783)
Water and Sewer System	(3,741,055)	(806,335)	0	(4,547,390)
Furniture & Fixtures	(21,790)	(1,980)	0	(23,770)
Machinery & Equipment	(407,264)	(54,116)	32,558	(428,822)
Automotive Equipment	(2,495,513)	(351,749)	755,871	(2,091,391)
Communication Equipment	(165,774)	(58,611)	0	(224,385)
Total Accumulated Depreciation	<u>\$ (7,077,522)</u>	<u>\$ (1,283,198)</u>	<u>\$ 788,429</u>	<u>\$ (7,572,291)</u>
Total, being Depreciated, Net	<u>\$ 31,368,851</u>	<u>\$ (866,709)</u>	<u>\$ 81,102</u>	<u>\$ 30,421,040</u>
Total Business-Type Activities, Net	<u><u>\$ 31,892,064</u></u>	<u><u>\$ 14,633,547</u></u>	<u><u>\$ 258,341</u></u>	<u><u>\$ 46,267,270</u></u>

The capital asset additions of business-type activities totaled \$15,739,506 and depreciation expense in business-type activities totaled \$1,283,198. Assets totaling \$869,531 were disposed of during the year that had accumulated depreciation of \$788,429, resulting in a loss on disposal of capital assets of \$81,102 in the Williamsburg County Transit.

Beginning capital assets for business-type activities has been restated for an asset totaling \$42,128 with accumulated depreciation of \$8,425 that was expensed erroneously in the prior year.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in Progress in the Governmental-Type Activities totaling \$8,342,867 at June 30, 2013 represents funds expended on the following capital projects:

	CIP	Cost to Complete	Expected Completion
Sheriff/Detention Center	\$ 8,342,867	\$ 8,874,565	December 2013

Construction in Progress in the Business-Type Activities totaling \$15,241,777 at June 30, 2013 represents funds expended on the following water and sewer improvements:

	CIP	Cost to Complete	Expected Completion
St. Lawrence/Blakely/Trio	\$ 36,973	\$ 4,806,000	To Be Determined
Millwood/Bloomingvale	15,652,344	15,763,217	To Be Determined
Mouzon	8,913	To Be Determined	To Be Determined

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

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$	231,444
Public Safety		985,918
Public Works		460,612
Health and Human Services		146,203
Economic Development		464,743
Environmental Services - Landfill		180,327
Cultural and Recreation		132,461
 Total Depreciation Expense - Governmental Activities	 \$	 <u><u>2,601,708</u></u>

Business-Type Activities:

Water & Sewer Fund	\$	813,098
Williamsburg County Transit System		381,339
E 911 Fund		88,761
 Total Depreciation Expense - Business-Type Activities	 \$	 <u><u>1,283,198</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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>(456,390)</u>	<u>(12,367)</u>	<u>0</u>	<u>(468,757)</u>
Net capital assets being depreciated	\$ <u>52,397</u>	\$ <u>(12,367)</u>	\$ <u>0</u>	\$ <u>40,030</u>
Depreciation Expense was charged to the component unit as follows:				
Cultural & Recreation	\$ <u>12,367</u>			

Total assets purchased under capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset Cost	\$ 6,025,679	\$ 657,949
Less: Accumulated Depreciation	<u>(3,242,319)</u>	<u>(109,658)</u>
Totals	\$ <u>2,783,360</u>	\$ <u>548,291</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, 2013, 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	\$ 2,627,447	\$ 0
Rural Fire Fund	45,027	0
Federal and State Grant Fund	0	27,410
Capital Projects Fund	0	60,012
Other Governmental Funds	0	533,077
Debt Service Fund	0	1,058,252
Williamsburg County Transit System Fund	0	38,584
E911 Fund	0	863,306
Water & Sewer	<u>0</u>	<u>91,833</u>
Totals	\$ <u>2,672,474</u>	\$ <u>2,672,474</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 7 - CAPITAL LEASES

The County's governmental activities have eight (8) 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, 2013, are as follows:

	Governmental Activities	Business-Type Activities	Total
2014	\$ 871,981	\$ 55,827	\$ 927,808
2015	1,739,873	55,828	1,795,701
2016	76,153	55,828	131,981
2017	68,975	55,828	124,803
2018	0	4,653	4,653
Total Minimum Lease Payments	\$ 2,756,982	\$ 227,964	\$ 2,984,946
Less: Amount Representing Interest	(136,178)	(47,245)	(183,423)
Totals	<u>\$ 2,620,804</u>	<u>\$ 180,719</u>	<u>\$ 2,801,523</u>

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 5,396,667	\$ 2,055,000	\$ (2,651,667)	\$ 4,800,000	\$ 545,000
Plus Unamortized Premium	84,945	56,625	(21,485)	120,085	0
Less Deferred Loss on					
Refunding Bond	0	(126,881)	9,252	(117,629)	0
IPRB Facilities Corp	30,000,000	0	0	30,000,000	0
Less Unamortized Discount	(383,729)	0	13,583	(370,146)	0
Bond Anticipation Notes	910,000	640,000	(910,000)	640,000	640,000
Total Bonds Payable	\$ 36,007,883	\$ 2,624,744	\$ (3,560,317)	\$ 35,072,310	\$ 1,185,000
Landfill Closure Cost	5,795,506	96,853	(174,845)	5,717,514	250,000
Capital Leases	3,306,849	279,000	(965,045)	2,620,804	948,521
Claims and Judgments	461,018	54,834	(19,100)	496,752	0
Compensated Absences	630,856	667,218	(630,856)	667,218	333,609
Totals	<u>\$ 46,202,112</u>	<u>\$ 3,722,649</u>	<u>\$ (5,350,163)</u>	<u>\$ 44,574,598</u>	<u>\$ 2,717,130</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 10,303,227	\$ 9,528,000	\$ (92,195)	\$ 19,739,032	\$ 124,736
Total Bonds Payable	\$ 10,303,227	\$ 9,528,000	\$ (92,195)	\$ 19,739,032	\$ 124,736
Capital Leases	186,910	0	(6,191)	180,719	36,690
Vehicle Acquisition Plan	60,946	0	(60,946)	0	0
Claims and Judgments	168,882	(7,834)	0	161,048	0
Compensated Absences	36,676	47,815	(36,676)	47,815	22,253
Totals	<u>\$ 10,756,641</u>	<u>\$ 9,567,981</u>	<u>\$ (196,008)</u>	<u>\$ 20,128,614</u>	<u>\$ 183,679</u>

Component Unit:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Williamsburg County Library					
Compensated Absences	\$ 15,454	\$ 17,624	\$ (15,454)	\$ 17,624	\$ 17,624
Totals	<u>\$ 15,454</u>	<u>\$ 17,624</u>	<u>\$ (15,454)</u>	<u>\$ 17,624</u>	<u>\$ 17,624</u>

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

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

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

On November 15, 2012, Williamsburg County issued General Obligation Refunding Bonds, Series 2012, which refunded the General Obligation Bonds of 2004. The County has recorded a deferred loss on refunding of \$126,881, which will be amortized as interest expense over the life of the bond. This is considered a current refunding.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for obligations outstanding at June 30, 2013 are as follows:

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2014	2.00%	\$ 1,850,000	\$ 230,000	\$ 18,500	\$ 18,500	\$ 267,000
2015	2.00%	1,755,000	240,000	16,200	16,200	272,400
2016	2.00%	1,350,000	270,000	13,800	13,800	297,600
2017	2.00%	1,095,000	275,000	11,100	11,100	297,200
2018	2.00%	830,000	285,000	8,350	8,350	301,700
2019-2020	2.00%	555,000	550,000	8,300	8,300	566,600
Totals			<u>\$ 1,850,000</u>	<u>\$ 76,250</u>	<u>\$ 76,250</u>	<u>\$ 2,002,500</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
2014	4.400%	\$ 240,000	\$ 240,000	\$ 5,400	\$ 5,400	\$ 250,800
Totals			<u>\$ 240,000</u>	<u>\$ 5,400</u>	<u>\$ 5,400</u>	<u>\$ 250,800</u>

Bond Anticipation Loans (Issued 06/01/13)
Maturity Date May 31, 2014

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest May 31	Total Annual Payments
2014	0.88%	\$ 640,000	\$ 640,000	\$ 5,632	\$ 645,632
Totals			<u>\$ 640,000</u>	<u>\$ 5,632</u>	<u>\$ 645,632</u>

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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
2014	2.00%	\$ 2,710,000	\$ 75,000	\$ 48,607	\$ 48,606	172,213
2015	2.00%	2,635,000	75,000	47,856	47,857	170,713
2016	2.00%	2,560,000	50,000	47,106	47,107	144,213
2017	2.00%	2,510,000	50,000	46,607	46,606	144,213
2018	2.00%	2,460,000	50,000	46,075	46,075	142,150
2019-2023	2.00%-3.00%	2,410,000	1,210,000	203,725	203,725	1,617,450
2024-2026	3.00%-4.00%	1,200,000	1,200,000	48,600	48,600	1,297,200
Totals			\$ 2,710,000	\$ 488,576	\$ 488,576	\$ 3,687,152

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, 2013 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
2014	3.60%	\$ 30,000,000	\$ 0	\$ 966,653	\$ 966,654	1,933,307
2015	3.95%	30,000,000	140,000	966,653	964,132	2,070,785
2016	4.48%	29,860,000	375,000	964,132	956,720	2,295,852
2017	4.83%	29,485,000	465,000	956,720	946,301	2,368,021
2018	5.14%	29,020,000	510,000	946,301	933,982	2,390,283
2019-2023	5.79%-6.52%	28,510,000	3,310,000	4,508,911	4,418,230	12,237,141
2024-2028	6.52%-6.78%	25,200,000	4,720,000	3,929,198	3,775,184	12,424,382
2029-2033	6.77%	20,480,000	6,470,000	3,046,469	2,831,841	12,348,310
2034-2038	6.77%	14,010,000	8,185,000	1,842,395	1,565,087	11,592,482
2039-2041	6.77%	5,825,000	5,825,000	400,292	202,941	6,428,233
Totals			\$ 30,000,000	\$ 18,527,724	\$ 17,561,072	\$ 66,088,796

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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 2012 assessed valuation of \$88,020,168 the legal debt limit is approximately \$7,041,613. At June 30, 2013, the County has general obligation bonds outstanding of \$2,730,000 subject to the legal debt limit.

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2014	4.50%	\$ 426,995	\$ 7,293	\$ 19,167	\$ 26,460
2015	4.50%	419,702	7,630	18,830	26,460
2016	4.50%	412,072	7,983	18,477	26,460
2017	4.50%	404,089	8,351	18,109	26,460
2018	4.50%	395,738	8,738	17,723	26,461
2019-2023	4.50%	387,000	50,126	82,174	132,300
2024-2028	4.50%	336,874	62,822	69,478	132,300
2029-2033	4.50%	274,052	78,731	53,569	132,300
2034-2038	4.50%	195,321	98,674	33,626	132,300
2039-2042	4.50%	96,647	96,647	9,192	105,839
Totals			<u>\$ 426,995</u>	<u>\$ 340,345</u>	<u>\$ 767,340</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2014	4.50%	\$ 32,541	\$ 575	\$ 1,453	\$ 2,028
2015	4.50%	31,966	602	1,426	2,028
2016	4.50%	31,364	630	1,398	2,028
2017	4.50%	30,734	658	1,370	2,028
2018	4.50%	30,076	689	1,339	2,028
2019-2023	4.50%	29,387	3,947	6,193	10,140
2024-2028	4.50%	25,440	4,942	5,198	10,140
2029-2033	4.50%	20,498	6,188	3,952	10,140
2034-2038	4.50%	14,310	7,745	2,395	10,140
2039-2042	4.50%	6,565	6,565	534	7,099
Totals			<u>\$ 32,541</u>	<u>\$ 25,258</u>	<u>\$ 57,799</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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
2014	4.375%	\$ 2,022,079	\$ 23,268	\$ 88,224	\$ 111,492
2015	4.375%	1,998,811	24,309	87,183	111,492
2016	4.375%	1,974,502	25,397	86,095	111,492
2017	4.375%	1,949,105	26,534	84,958	111,492
2018	4.375%	1,922,571	27,721	83,771	111,492
2019-2023	4.375%	1,894,850	158,364	399,096	557,460
2024-2028	4.375%	1,736,486	197,116	360,344	557,460
2029-2033	4.375%	1,539,370	245,350	312,110	557,460
2034-2038	4.375%	1,294,020	305,389	252,071	557,460
2039-2043	4.375%	988,631	380,120	177,340	557,460
2044-2048	4.375%	608,511	473,137	84,323	557,460
2049-2050	4.375%	135,374	135,374	3,990	139,364
Totals			<u>\$ 2,022,079</u>	<u>\$ 2,019,505</u>	<u>\$ 4,041,584</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
2014	2.25%	\$ 662,991	\$ 12,100	\$ 14,336	\$ 26,436
2015	2.25%	650,891	12,366	14,070	26,436
2016	2.25%	638,525	12,639	13,797	26,436
2017	2.25%	625,886	12,917	13,519	26,436
2018	2.25%	612,969	13,202	13,234	26,436
2019-2023	2.25%	599,767	70,500	61,680	132,180
2024-2028	2.25%	529,267	78,613	53,567	132,180
2029-2033	2.25%	450,654	87,661	44,519	132,180
2034-2038	2.25%	362,993	97,747	34,433	132,180
2039-2043	2.25%	265,246	108,996	23,184	132,180
2044-2048	2.25%	156,250	121,540	10,640	132,180
2049-2051	2.25%	34,710	34,710	538	35,248
Totals			<u>\$ 662,991</u>	<u>\$ 297,517</u>	<u>\$ 960,508</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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
2014	3.00%	\$ 3,490,426	\$ 54,657	\$ 101,595	\$ 156,252
2015	3.00%	3,435,769	56,281	99,971	156,252
2016	3.00%	3,379,488	57,953	98,299	156,252
2017	3.00%	3,321,535	59,675	96,577	156,252
2018	3.00%	3,261,860	61,448	94,804	156,252
2019-2023	3.00%	3,200,412	335,737	445,523	781,260
2024-2028	3.00%	2,864,675	388,670	392,590	781,260
2029-2033	3.00%	2,476,005	449,948	331,312	781,260
2034-2038	3.00%	2,026,057	520,888	260,372	781,260
2039-2043	3.00%	1,505,169	603,011	178,248	781,259
2044-2048	3.00%	902,158	698,084	83,176	781,260
2049-2051	3.00%	204,074	204,074	4,263	208,337
Totals			<u>\$ 3,490,426</u>	<u>\$ 2,186,730</u>	<u>\$ 5,677,156</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2014	2.75%	\$ 3,576,000	\$ 26,843	\$ 129,577	\$ 156,420
2015	2.75%	3,549,157	54,808	97,112	151,920
2016	2.75%	3,494,349	56,337	95,583	151,920
2017	2.75%	3,438,012	57,909	94,011	151,920
2018	2.75%	3,380,103	59,525	92,395	151,920
2019-2023	2.75%	3,320,578	323,491	436,109	759,600
2024-2028	2.75%	2,997,087	371,220	388,380	759,600
2029-2033	2.75%	2,625,867	425,991	333,609	759,600
2034-2038	2.75%	2,199,876	488,843	270,757	759,600
2039-2043	2.75%	1,711,033	560,974	198,636	759,610
2044-2048	2.75%	1,150,059	643,731	115,869	759,600
2049-2051	2.75%	506,328	506,328	25,382	531,710
Totals			<u>\$ 3,576,000</u>	<u>\$ 2,277,420</u>	<u>\$ 5,853,420</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2014	2.50%	\$ 9,528,000	\$ 0	\$ 241,094	\$ 241,094
2015	2.50%	9,528,000	126,524	438,530	565,054
2016	2.50%	9,401,476	155,348	233,404	388,752
2017	2.50%	9,246,128	159,279	229,473	388,752
2018	2.50%	9,086,849	163,309	225,443	388,752
2019-2023	2.50%	8,923,540	880,662	1,063,098	1,943,760
2024-2028	2.50%	8,042,878	997,866	945,894	1,943,760
2029-2033	2.50%	7,045,012	1,130,667	813,093	1,943,760
2034-2038	2.50%	5,914,345	1,281,141	662,619	1,943,760
2039-2043	2.50%	4,633,204	1,451,643	492,117	1,943,760
2044-2048	2.50%	3,181,561	1,644,836	298,924	1,943,760
2049-2053	2.50%	1,536,725	1,536,725	83,075	1,619,800
Totals			<u>\$ 9,528,000</u>	<u>\$ 5,726,764</u>	<u>\$ 15,254,764</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, 2013 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,979,498	\$ 2,161,435	\$ 4,140,933	\$ 161,426	\$ 614,583	\$ 776,009
2015	2,140,888	2,112,883	4,253,771	323,721	771,749	1,095,470
2016	767,817	2,046,500	2,814,317	362,553	556,615	919,168
2017	857,601	2,019,807	2,877,408	377,277	541,891	919,168
2018	845,000	1,989,133	2,834,133	339,240	528,754	867,994
2019-2023	5,070,000	9,351,191	14,421,191	1,822,827	2,493,873	4,316,700
2024-2028	5,920,000	7,801,582	13,721,582	2,101,249	2,216,451	4,317,700
2029-2033	6,470,000	5,878,310	12,348,310	2,424,536	1,892,164	4,316,700
2034-2038	8,185,000	3,407,482	11,592,482	2,800,427	1,516,273	4,316,700
2039-2043	5,825,000	603,233	6,428,233	3,207,956	1,079,251	4,287,207
2044-2048	0	0	0	3,581,328	592,932	4,174,260
2049-2051	0	0	0	2,417,211	117,248	2,534,459
Totals	<u>\$ 38,060,804</u>	<u>\$ 37,371,556</u>	<u>\$ 75,432,360</u>	<u>\$ 19,919,751</u>	<u>\$ 12,921,784</u>	<u>\$ 32,841,535</u>

NOTE 9 - OPERATING LEASES

The County was engaged in a 20 year noncancelable operating lease of an office building used for social services, which expired in November 2007 at a monthly lease payment of \$13,500. The County is currently continuing to rent the office building used for social services in the amount of \$13,500 per month on a month-by-month basis.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, 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, 2013 are not determinable.

Other Commitments: County Council approved a loan of \$182,000 from the SBA revolving loan fund to South Carolina Shrimp Biotech, Inc. which was issued at November 19, 2008 at the Wall Street prime rate interest only for nine months and monthly payments of \$3,188.73 to begin on September 7, 2009. County Council has not received payments on this since 2009 and has increased its allowance for bad debt to \$182,000 as it is doubtful that this receivable will be paid. County Council has approved a loan of \$520,650 from the revolving loan fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2013. County Council approved a loan to Hemingway apparel in the amount of \$25,000 with a maturity date of December 31, 2013. County Council has approved a loan to Wastezero in the amount of \$87,083.40 on August 1, 2011 of which payments of \$2,004.46 began in August of 2011. The outstanding balance at June 30, 2013 on all note receivables was \$774,909 and an allowance for uncollectible receivables of \$182,000 leaving a net note receivable balance of \$592,909.

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	\$ 0	\$ 299,586
Rural Fire Fund	400,000	1,926
Debt Service Fund	2,095,517	400,000
Federal and State Grant Fund	6,315	1,000,000
Capital Projects Fund	1,000,000	1,988,510
Other Governmental Funds	0	43,984
Williamsburg County Transit Enterprise Fund	232,174	0
E911 Fund	<u>0</u>	<u>0</u>
Totals	<u>\$ 3,734,006</u>	<u>\$ 3,734,006</u>

NOTE 12 - DEFERRED COMPENSATION PLAN

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

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 7.00% of their annual compensation. The employer contribution is 10.60% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .15%.

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

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

Police Officers Retirement System (PORS): Covered County employees (i.e. whose principal duties are the preservation of public order) are required to participate in the PORS, a cost-sharing, multiple-employer, defined benefit pension plan. The PORS provides both retirement and death benefits on an employee and employer contribution basis. Member employees currently contribute 7.00% of their annual compensation. The employer contribution is 12.30% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .20% and the entire cost of accidental death for covered employees at the rate of .20%. As a member of the PORS an employee can elect to retire after reaching age 55 with at least five years of credited service, or 25 years of service credit regardless of age. Another option available is when an employee has completed five years of credited service prior to age 55, they can retire yet defer their retirement allowance until they reach age 55. Other benefits include disability coverage after five years membership (immediate coverage if job related), group life insurance coverage after one year of credited service (immediate coverage if job related), accidental death program allowing a monthly pension equal to 50% of the member's budgeted compensation at the time of death, and vesting rights after five years membership. Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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, 2013:

Primary Government

	Payroll	Contributions		
	Covered	Employee	Employer	Total
SCRS	\$ 7,064,050	\$ 494,483	\$ 748,789	\$ 1,243,272
PORS	3,108,245	217,577	382,314	599,891
Totals	<u>\$ 10,172,295</u>	<u>\$ 712,060</u>	<u>\$ 1,131,103</u>	<u>\$ 1,843,163</u>

Component Unit

	Payroll	Contributions		
	Covered	Employee	Employer	Total
SCRS	\$ 206,566	\$ 14,584	\$ 21,816	\$ 36,400
Totals	<u>\$ 206,566</u>	<u>\$ 14,584</u>	<u>\$ 21,816</u>	<u>\$ 36,400</u>

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

SCRS	7.00% of Salary
PORS	7.00% of Salary

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

SCRS Local Government	10.45%
PORS Local Government	11.90%

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.

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**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Three Year Trend Information:

Primary Government Fiscal Year Ended	SCRS Annual Employer Contribution	PORS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/13	\$748,789	\$382,314	100%
06/30/12	\$637,061	\$342,524	100%
06/30/11	\$625,676	\$308,575	100%

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/13	\$21,816	100%
06/30/12	\$18,961	100%
06/30/11	\$19,038	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 \$4,356,461 as of June 30, 2013 which is based on 100% usage of the old landfill. The landfill closed in April of 2011.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL (CONTINUED)

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 \$96,853 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 \$1,361,053 has been recorded as a liability which represents 98% usage of the landfill expansion.

Estimated Liability for Closure & Post Closure	Beginning			Ending
	Balance	Additions	Retirements	Balance
Landfill	\$ 4,531,306	\$ 0	\$ (174,845)	\$ 4,356,461
C&D Landfill	1,264,200	96,853	0	1,361,053
Totals	<u>\$ 5,795,506</u>	<u>\$ 96,853</u>	<u>\$ (174,845)</u>	<u>\$ 5,717,514</u>

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

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

NOTE 15 - DEFERRED REVENUE

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

Deferred Tax Collections	\$ 536,078
Deferred Court Fines	65,087
Deferred Ambulance Fees	144,604
Deferred Solid Waste Fees	<u>315,388</u>
	<u>\$1,061,157</u>

Deferred revenue in the roads and bridges fund represents fees totaling \$55,525 that do not meet the availability criteria for recognition.

Deferred revenue in the federal and state grant funds total \$253,890 represent unearned grant funds.

Deferred revenue in the landfill special revenue funds represents current year taxes which do not meet the availability criteria for revenue recognition of \$105,029.

Deferred revenue in the debt service fund of \$153,821 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 \$62,009.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

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

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

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

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2013:

	Water & Sewer Fund	Williamsburg County Transit System	E-911 Fund
Operating Revenues	\$ 1,179,993	\$ 1,250,511	\$ 454,641
Depreciation	813,098	381,338	88,762
Operating Income (Loss)	(434,946)	(1,250,928)	(145,733)
Interfund Transfers	0	232,174	0
Non-Operating Revenues (Expenses)	4,362,185	846,002	(49,269)
Change in Net Position	3,927,239	(172,752)	(195,002)
Property, Plant and Equipment			
Net Additions	14,831,823	(354,151)	(68,763)
Net Working Capital	(923,036)	1,803,329	(730,553)
Total Assets	44,580,465	3,669,027	925,678
Bonds and Other Long-Term Liabilities Payable			
from Revenues	19,616,484	158,981	169,470
Total Net Position	23,302,229	3,307,730	(146,884)

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, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 18 - RELATED PARTY TRANSACTIONS (CONTINUED)

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

NOTE 19 - FUND BALANCE CLASSIFICATIONS

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

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

Restricted for Public Safety:

Rural Fire Funds	\$	206,440
Victim's Services		50,993
Sheriff's Narcotics Funds		<u>6,463</u>
	\$	<u>263,896</u>

Restricted for General Government:

Clerk of Court Title IVD Funds	\$	<u>7,416</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>147,764</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	\$	412,921
Grants Fund		<u>273,052</u>
	\$	<u>685,973</u>

Restricted for Public Works:

The fees assessed by the County Council for Roads and Bridges are restricted for that purpose.	\$	<u>(121,504)</u>
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NOTE 20 - SUBSEQUENT EVENTS

On July 19, 2013, Williamsburg County issued a Tax Anticipation Note in the amount of \$3,500,000 with a maturity date of April 15, 2014 at an interest rate of 0.88% per annum.

On October 17, 2013, the County issued \$265,000 Lease Purchase Agreement for the purchase of capital equipment.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, the County has not funded contributions to an irrevocable trust. In fiscal year 2013, the County contributes \$311 per retiree per month for health insurance. County retirees contribute 100% of monthly premiums for single health care in excess of the County’s contribution of \$311. The County contributes \$12 per month per retiree for dental coverage. Retirees contributed 100% of the premium for single dental coverage in excess of the \$12 the County contributes. The County contributed the remaining premium of \$7,740.

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 2013, the annual OPEB cost (expense) was \$58,500 for the plan. The following table shows the components of the County’s annual OPEB cost for 2013.

Normal Cost	\$	19,400
20 Year Amortization of Unfunded Accrued Liability		<u>38,000</u>
Total Annual Required Contribution (ARC)		57,400
Interest on Net OPEB Obligation		1,100
Less Net OPEB Adjustment		<u>0</u>
Annual OPEB Cost	\$	<u><u>58,500</u></u>

Contributions made included \$7,740 by the County through payment of covered participant benefits.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

The County's annual OPEB cost, the cost contributed to the plan and the net OPEB (obligation) for years ended June 30, 2013, June 30, 2012 and June 30, 2011 were as follows:

Annual OPEB Cost Summary										
Plan Year	BOY						Actual	EOY	Int.	Amort.
	NOPEBO	ARC	Int.	Adj.	Total	Contributions	NOPEBO	Rate	Period	
2010-11	\$ 577,000	\$ 74,600	\$ 23,100	\$ (33,000)	\$ 64,700	\$ 29,900	\$ 611,800	4%	20	
2011-12	611,800	77,300	24,500	(35,000)	66,800	48,700	629,900	4%	20	
2012-13	629,900	58,500	25,200	(36,700)	47,000	19,100	657,800	4%	20	

As of June 30, 2013, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$657,800, with no plan assets resulting in an unfunded accrued liability for benefits of \$657,800. The covered payroll (annual payroll of active employees covered by the plan) was \$1,301,883, and the ratio of the UAAL to the covered payroll was 51%.

Actuarial Methods and Assumptions

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

The Unprojected Unit Credit Actuarial Cost Method was used in the June 30, 2013 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, 2013 was 15 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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$43,995,562 are as follows:

Capital Assets	\$ 68,724,295
Accumulated Depreciation	<u>(24,728,733)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 43,995,562</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

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 \$1,437,541 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 751,908
Ambulance fees deferred in Governmental Fund Statement	144,604
Court Fines deferred in Governmental Fund Statement	65,087
Deferred fees –Solid Waste, Road Fees, Landfill	<u>475,942</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 1,437,541</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$44,128,259) are as follows:

Bonds Payable	\$ (35,440,000)
Less: Deferred Charge for Issuance Cost (to be amortized over life of debt)	616,405
Less: Unamortized Bond Discount (to be amortized as interest expense)	370,146
Less: Deferred Loss on Refunding Bonds (to be amortized as interest expense)	117,629
Plus: Issuance Premium (to be amortized as interest expense)	(120,085)
Accrued Interest Payable	(170,066)
Capital Leases Payable	(2,620,804)
Municipal Solid Waste Landfill Closure	
Postclosure Cost Accrual	(5,717,514)
Post Employment Benefits Payable	(496,752)
Compensated Absences	<u>(667,218)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (44,128,259)</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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$10,214,055 are as follows:

Capital Outlay	\$ 12,815,763
Depreciation Expense	<u>(2,601,708)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 10,214,055</u>

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

Property Taxes	\$ 70,382
Police Fines	17,409
Roads & Bridges Fees	33,804
Ambulance Fees	(35,001)
Landfill Fees	9,983
Solid Waste Fees	<u>81,663</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 178,240</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$71,028) are as follows:

Compensated Absences	\$ (36,362)
Accrued Interest	14,633
Municipal Solid Waste Closure Postclosure Cost Accrual	(96,853)
Amortization of Issuance Costs	(125,941)
Amortization of Bond Premium, Bond Discounts and Deferred Loss on Refunding	(1,350)
Municipal Solid Waste Closure Costs	<u>174,845</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (71,028)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this (\$1,674,127) are as follows:

Debt issued or incurred:	
General Obligation Bond Proceeds	\$ (2,695,000)
General Obligation Bond Premiums	(56,625)
Lease Purchase Obligation Proceeds	(279,000)
Debt Issuance Costs	86,893
Post Employment Benefits	(54,834)
Debt Service Refunding Costs	126,881
Principal repayments:	
General Obligation debt	3,561,667
Post Employment Benefits Payments	19,100
Capital Lease	<u>965,045</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,674,127</u>

NOTE 23 - ECONOMIC DEPENDENCY

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

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

NOTE 24 - NET POSITION RESTATEMENT

The net position of the business type activities has been restated for the following prior period adjustments:

Business Type Activities:

Beginning Net Position, Business Type Activities, As Originally Reported	\$ 22,869,887
Williamsburg County Transit System previously expensed Capital Asset in Error	<u>33,703</u>
Beginning Net Position, Business Type Activities, As Restated	<u>\$ 22,903,590</u>

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 11,177,264	\$ 11,177,264	\$ 11,469,276	\$ 292,012
Fees, Licenses, & Permits	105,000	105,000	82,241	(22,759)
Fines & Forfeitures	565,000	565,000	543,911	(21,089)
Charges for Services	2,974,600	2,974,600	2,889,068	(85,532)
Intergovernmental Revenue	2,095,056	2,095,056	1,960,367	(134,689)
Other Revenues	581,671	581,671	474,924	(106,747)
TOTAL REVENUE	\$ 17,498,591	\$ 17,498,591	\$ 17,419,787	\$ (78,804)
EXPENDITURES				
County Council	217,252	223,997	244,575	(20,578)
Supervisor's Office	546,388	557,957	573,417	(15,460)
Information Technology	307,162	307,862	347,293	(39,431)
Council Discretionary	45,861	39,160	42,007	(2,847)
County Attorney	65,439	65,439	68,234	(2,795)
Treasurer	218,563	224,267	270,089	(45,822)
Building & Grounds	469,856	487,073	512,851	(25,778)
Chavis Building	131,618	135,617	162,726	(27,109)
Community Buildings	123,000	119,700	120,644	(944)
Health Department	91,300	92,625	82,959	9,666
Auditor	178,526	182,322	181,377	945
Tax Assessor	367,797	380,444	373,116	7,328
Tax Collector	120,997	123,335	127,912	(4,577)
Probate Judge	202,066	202,066	218,304	(16,238)
Clerk of Court	661,265	667,391	709,644	(42,253)
Magistrates	588,752	594,428	648,336	(53,908)
Coroner	96,837	96,837	105,501	(8,664)
Emergency Management	231,099	192,099	169,126	22,973
Communications	688,977	745,314	773,908	(28,594)
Veterans Affairs Office	72,586	72,586	68,436	4,150
Department of Social Services	239,931	235,431	235,319	112
Aeronautics Commission	13,875	13,875	23,741	(9,866)
Development Board	149,549	150,045	155,475	(5,430)
Voter Registration	87,818	98,842	101,685	(2,843)
General Election Expenses	90,031	90,030	57,943	32,087
Solid Waste Disposal	1,769,354	1,769,883	1,147,643	622,240
Grant Administration	92,598	96,945	96,635	310
Tax Forms & Printing	44,598	44,598	28,763	15,835

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Other Government	\$ 408,220	\$ 408,220	\$ 408,220	\$ 0
Employee Benefits	1,744,861	1,744,861	1,571,858	173,003
Other Expenses	764,128	599,831	650,978	(51,147)
Summer Intern Program	42,929	43,307	42,374	933
Circuit Court Judge	1,900	1,900	2,593	(693)
Building Code Enforcement	132,475	136,307	137,829	(1,522)
Public Defender	31,853	31,853	31,853	0
Victim Advocates	41,201	41,201	44,062	(2,861)
Sheriff	1,997,982	2,026,882	2,418,829	(391,947)
Sheriff's Grant	0	0	48,849	(48,849)
Detention Center	1,489,906	1,526,847	1,591,077	(64,230)
Parole & Corrections	625	625	410	215
Solicitor's Office	94,000	94,000	94,000	0
Emergency Medical Services	1,332,726	1,348,190	1,342,223	5,967
Environmental Services	251,529	251,529	275,091	(23,562)
Social Service Agencies	84,700	84,700	83,560	1,140
Agencies	76,514	76,514	79,353	(2,839)
Senior Citizens	103,017	103,017	103,017	0
Recreation Department	461,074	461,573	499,981	(38,408)
Capital Outlay	0	0	6,562	(6,562)
Debt Service	50,000	31,210	31,207	3
Bond Issuance Costs	10,000	10,000	10,000	0
TOTAL EXPENDITURES	\$ 17,032,735	\$ 17,032,735	\$ 17,121,585	\$ (88,850)
EXCESS OF REVENUES OVER EXPENDITURES	\$ 465,856	\$ 465,856	\$ 298,202	\$ (167,654)
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ (645,856)	\$ (645,856)	\$ (299,586)	\$ 346,270
Lease Purchase Proceeds	180,000	180,000	190,000	10,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (465,856)	\$ (465,856)	\$ (109,586)	\$ 356,270

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ <u>0</u>	\$ <u>0</u>	188,616	\$ <u>188,616</u>
FUND BALANCE, Beginning of Year			4,549,363	
FUND BALANCE, End of Year			\$ 4,737,979	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 877,839	\$ 877,839	\$ 879,739	\$ 1,900
Intergovernmental Revenue	116,075	116,075	299,697	183,622
Other Revenues	3,000	3,000	35,177	32,177
TOTAL REVENUES	\$ 996,914	\$ 996,914	\$ 1,214,613	\$ 217,699
EXPENDITURES				
Public Safety:				
Current	924,278	924,278	1,085,658	(161,380)
Capital Outlay	0	0	545,097	(545,097)
TOTAL EXPENDITURES	\$ 924,278	\$ 924,278	\$ 1,630,755	\$ (706,477)
EXCESS REVENUES OVER EXPENDITURES	\$ 72,636	\$ 72,636	\$ (416,142)	\$ (488,778)
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	400,000	400,000
Capital Lease Proceeds	0	0	89,000	89,000
Transfers (Out)	(74,066)	(74,066)	(1,926)	72,140
TOTAL OTHER FINANCING SOURCES (USES)	\$ (74,066)	\$ (74,066)	\$ 487,074	\$ 561,140
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (1,430)	\$ (1,430)	\$ 70,932	\$ 72,362
FUND BALANCE, Beginning of Year			135,508	
FUND BALANCE, End of Year			\$ 206,440	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The budgetary calendar is as follows:

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

March 17 - All packets returned to Budget Director.

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

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

June 30 - Budget is legally adopted by ordinance.

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

NOTE 2 – BUDGET APPROPRIATIONS EXCEEDED

The General Fund's actual expenditures of \$17,121,585 exceeded budgeted appropriations of \$17,032,735 by \$88,850. The expenditures were authorized by County Council. provide for current financial resources,

The Rural Fire Fund's actual expenditures of \$1,630,755 exceeded budgeted appropriations of \$924,278 by \$706,477. 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, 2013**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Normal Cost	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government							
7/1/2008	\$ 0	\$ 2,898,246	\$ 2,898,246	\$ 53,100	0%	\$ 1,883,275	65%
06/30/11	\$ 0	\$ 856,600	\$ 856,600	\$ 25,600	0%	\$ 1,331,129	64%
06/30/13	\$ 0	\$ 657,800	\$ 657,800	\$ 19,400	0%	\$ 1,301,883	51%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual OPEB COST	Actual Contribution	Percent Funded
Primary Government			
2010	\$ 293,000	\$ 11,700	4.0%
2011	\$ 64,700	\$ 29,900	40.1%
2012	\$ 66,800	\$ 48,700	63.0%
2013	\$ 58,500	\$ 19,100	32.6%

SUPPLEMENTAL INFORMATION

WILLIAMSBURG COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	SPECIAL REVENUE FUNDS					TOTAL
	LANDFILL FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE	
ASSETS						
Cash	\$ 8,569	\$ 586	\$ 145,963	\$ 6,463	\$ 42,210	\$ 203,791
Cash Restricted	1,395,132	0	0	0	0	1,395,132
Taxes Receivable	124,001	0	0	0	0	124,001
Other Receivables	23,694	203,309	270,583	0	140,576	638,162
Inventory	0	44,397	0	0	0	44,397
TOTAL ASSETS	\$ 1,551,396	\$ 248,292	\$ 416,546	\$ 6,463	\$ 182,786	\$ 2,405,483
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	0	11,935	0	0	383	12,318
Due to Other Funds	272,833	242,549	3,625	0	14,070	533,077
Accrued Wages & Benefits Payable	7,900	15,390	0	0	20,569	43,859
Deferred Revenue	105,029	55,525	0	0	0	160,554
TOTAL LIABILITIES	\$ 385,762	\$ 325,399	\$ 3,625	\$ 0	\$ 35,022	\$ 749,808
FUND BALANCE						
Nonspendable:						
Inventory	0	44,397	0	0	0	44,397
Restricted for:						
Health & Human Services	0	0	0	0	147,764	147,764
Environmental Services	1,165,634	0	0	0	0	1,165,634
Public Safety	0	0	0	6,463	0	6,463
Economic Development	0	0	412,921	0	0	412,921
Public Works	0	(121,504)	0	0	0	(121,504)
TOTAL FUND BALANCE	\$ 1,165,634	\$ (77,107)	\$ 412,921	\$ 6,463	\$ 147,764	\$ 1,655,675
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,551,396	\$ 248,292	\$ 416,546	\$ 6,463	\$ 182,786	\$ 2,405,483

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS					WILLIAMSBURG COUNTY	TOTAL
	LANDFILL FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	ALCOHOL & DRUG ABUSE FUND		
REVENUES							
Taxes	0	0	475,973	0	0	0	475,973
Fees, Licenses & Permits	479,569	845,004	0	0	0	0	1,324,573
Charges For Services	25,241	0	0	0	212,337	0	237,578
Intergovernmental Revenue	0	0	0	0	443,068	0	443,068
Miscellaneous Revenues	3,462	6	10	57,171	24,124	0	84,773
TOTAL REVENUES	\$ 508,272	\$ 845,010	\$ 475,983	\$ 57,171	\$ 679,529	\$	\$ 2,565,965
EXPENDITURES							
Current:							
Public Works	0	819,167	0	0	0	0	819,167
Public Safety	0	0	0	59,669	0	0	59,669
Health and Human Services	0	0	0	0	679,402	0	679,402
Environmental Services	365,665	0	0	0	0	0	365,665
Economic Development	0	0	403,945	0	0	0	403,945
Debt Service	0	0	0	0	7,178	0	7,178
TOTAL EXPENDITURES	\$ 365,665	\$ 819,167	\$ 403,945	\$ 59,669	\$ 686,580	\$	\$ 2,335,026
EXCESS REVENUES OVER EXPENDITURES	142,607	25,843	72,038	(2,498)	(7,051)		230,939
OTHER FINANCING SOURCES (USES)							
Transfers In (Out)	0	(105,081)	0	0	61,097		(43,984)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ (105,081)	\$ 0	\$ 0	\$ 61,097	\$	\$ (43,984)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	142,607	(79,238)	72,038	(2,498)	54,046		186,955
FUND BALANCE, Beginning of Year	1,023,027	2,131	340,883	8,961	93,718		1,468,720
FUND BALANCE, End of Year	\$ 1,165,634	\$ (77,107)	\$ 412,921	\$ 6,463	\$ 147,764	\$	\$ 1,655,675

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2013**

FINES AND FEES STATE PORTION

Public Defender Application Fees	\$ 5,200
Marriage License Fee	3,300
Circuit/Family Court Motion Fees	12,398
Family/Alimony/Child Support Fees	80,330
Circuit/Family Court Fines & Fees	4,432
Circuit/Family Court Filing Fees	28,385
Circuit/Family Court Filing Fees Increase \$50	25,409
Magistrate Filing Assessment Civil - \$25	9,875
Magistrate Filing Assessment Civil - \$10	6,861
General Sessions Conditional Discharge Fee - \$350	882
Magistrate Conditional Discharge Fee - \$150	150
Total State Portion Fines & Fees	<u>\$ 177,222</u>

DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT

Magistrates' Court DUS DPS Pullout	11,389
General Sessions DUI Surcharge - \$100	1
Magistrates' DUI Assessment	657
Magistrates' Court DUI Surcharge	5,537
General Sessions DUI DPs Auto Fee \$40	15
Magistrates' Court DUI DPS Pullout	5,467
DUI/DUAC Breathalyzer Test Conviction Fee SLED	1,293
Total DUI Assessments State Portion	<u>\$ 24,359</u>

SURCHARGES STATE PORTION

General Sessions Court Drug Surcharge	2,761
Magistrates' Court Drug Surcharge	7,257
General Sessions Law Enforcement Surcharge	1,650
Magistrates' Court Law Enforcement Surcharges	67,053
General Sessions Criminal Justice Academy \$5 Surcharge	291
Magistrates Criminal Justice Academy \$5 Surcharge	13,389
	<u>\$ 92,401</u>

OTHER ASSESSMENTS STATE PORTION

General Sessions Court	1,291
Magistrates' Court	202,143
Total Other Assessments State Portion	<u>\$ 203,434</u>

VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION

General Sessions Court	428
Magistrates' Court	25,396
Total Assessments County Portion	<u>\$ 25,824</u>

SURCHARGES COUNTY PORTION

General Sessions Court	6,074
Magistrates' Court	16,329
Total Surcharges County Portion	<u>\$ 22,403</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER ENTERPRISE FUNDS
JUNE 30, 2013

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 320,673	\$ 53,691	\$ 374,364
Restricted Cash & Investments	163,194	7,056	170,250
Inventory	31,433	0	31,433
Accounts Receivable, Net of Allowance	82,729	28,629	111,358
Receivable - Other	0	42,311	42,311
TOTAL CURRENT ASSETS	<u>\$ 598,029</u>	<u>\$ 131,687</u>	<u>\$ 729,716</u>
PROPERTY, PLANT, AND EQUIPMENT			
Land	\$ 97,500	\$ 22,500	\$ 120,000
Construction in Progress	15,698,230	0	15,698,230
Water Distribution System	26,421,453	0	26,421,453
Wastewater and Wastewater Treatment System	0	6,128,105	6,128,105
Vehicles	48,499	0	48,499
Less: Accumulated Depreciation	<u>(3,006,762)</u>	<u>(1,558,776)</u>	<u>(4,565,538)</u>
NET PROPERTY, PLANT, AND EQUIPMENT	<u>\$ 39,258,920</u>	<u>\$ 4,591,829</u>	<u>\$ 43,850,749</u>
TOTAL ASSETS	<u>\$ 39,856,949</u>	<u>\$ 4,723,516</u>	<u>\$ 44,580,465</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
WATER AND SEWER ENTERPRISE FUNDS
JUNE 30, 2013

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
LIABILITIES			
SHORT-TERM LIABILITIES			
Accounts Payable	\$ 500,418	\$ 23,580	\$ 523,998
Salaries & Accrued Benefits	1,583	4,393	5,976
Retainage Payable	718,102	0	718,102
Due to Other Funds	25,157	13,427	38,584
Compensated Absences Payable	569	1,618	2,187
Bonds Payable - RDA	108,675	16,061	124,736
Accrued Interest Payable	209,402	654	210,056
Customer Deposits	38,113	0	38,113
TOTAL SHORT-TERM LIABILITIES	<u>\$ 1,602,019</u>	<u>\$ 59,733</u>	<u>\$ 1,661,752</u>
LONG-TERM LIABILITIES			
Compensated Absences Payable	590	1,598	2,188
Bonds Payable - RDA	18,967,366	646,930	19,614,296
TOTAL LONG-TERM LIABILITIES	<u>\$ 18,967,956</u>	<u>\$ 648,528</u>	<u>\$ 19,616,484</u>
TOTAL LIABILITIES	<u>\$ 20,569,975</u>	<u>\$ 708,261</u>	<u>\$ 21,278,236</u>
NET POSITION			
Net Investment in			
Capital Assets	20,182,879	3,928,838	24,111,717
Restricted for Debt Service	163,194	7,056	170,250
Unrestricted	(1,059,099)	79,361	(979,738)
TOTAL NET POSITION	<u>\$ 19,286,974</u>	<u>\$ 4,015,255</u>	<u>\$ 23,302,229</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
OPERATING REVENUES			
Charges for Services	\$ 768,317	\$ 411,676	\$ 1,179,993
TOTAL OPERATING REVENUES	<u>\$ 768,317</u>	<u>\$ 411,676</u>	<u>\$ 1,179,993</u>
OPERATING EXPENSES			
Cost of Sales & Services	319,319	274,809	594,128
Personnel & Benefits	44,393	123,200	167,593
Administration	28,062	12,058	40,120
Depreciation	659,391	153,707	813,098
TOTAL OPERATING EXPENSES	<u>\$ 1,051,165</u>	<u>\$ 563,774</u>	<u>\$ 1,614,939</u>
OPERATING INCOME (LOSS)	<u>\$ (282,848)</u>	<u>\$ (152,098)</u>	<u>\$ (434,946)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	40	37	77
Interest Expense	(371,270)	(13,711)	(384,981)
RDA Grant	4,747,059	0	4,747,059
CDBG Block Grant	30	0	30
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 4,375,859</u>	<u>\$ (13,674)</u>	<u>\$ 4,362,185</u>
CHANGE IN NET POSITION	\$ 4,093,011	\$ (165,772)	\$ 3,927,239
NET POSITION, Beginning of Year	<u>15,193,963</u>	<u>4,181,027</u>	<u>19,374,990</u>
NET POSITION, End of Year	<u><u>\$ 19,286,974</u></u>	<u><u>\$ 4,015,255</u></u>	<u><u>\$ 23,302,229</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 756,565	\$ 390,703	\$ 1,147,268
Cash Payments to Suppliers for Goods and Services	(259,815)	(276,293)	(536,108)
Cash Payments to and for Employee's Benefit	(44,123)	(121,901)	(166,024)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 452,627</u>	<u>\$ (7,491)</u>	<u>\$ 445,136</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grants Received	4,917,078	0	4,917,078
Property, Plant and Equipment Additions	(14,804,272)	0	(14,804,272)
Principal Payment Revenue Bonds	(80,816)	(11,379)	(92,195)
Revenue Bond Proceeds	9,528,000	0	9,528,000
Interest Paid	(216,762)	(13,711)	(230,474)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (656,772)</u>	<u>\$ (25,090)</u>	<u>\$ (681,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	40	37	77
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 40</u>	<u>\$ 37</u>	<u>\$ 77</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ (204,105)</u>	<u>\$ (32,545)</u>	<u>\$ (236,650)</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>\$ 687,972</u>	<u>\$ 93,292</u>	<u>\$ 781,264</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 483,867</u></u>	<u><u>\$ 60,747</u></u>	<u><u>\$ 544,614</u></u>
Cash	320,673	53,691	374,364
Cash Restricted	163,194	7,056	170,250
TOTAL CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 483,867</u></u>	<u><u>\$ 60,747</u></u>	<u><u>\$ 544,614</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>WATER & SEWER FUND</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (282,848)	\$ (152,098)	\$ (434,946)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	659,391	153,707	813,098
(Increase) Decrease in Accounts and Other Operating Receivables	(11,753)	(20,972)	(32,725)
(Increase) Decrease in Inventory	(31,433)	0	(31,433)
(Increase) Decrease in Prepaid Expenses	93,907	0	93,907
Increase (Decrease) in Due to State	(20,644)	0	(20,644)
Increase (Decrease) in Due to General Fund	10,291	(1,149)	9,142
Increase (Decrease) in Accounts Payable	31,871	11,722	43,593
Increase (Decrease) in Salaries and Compensated Absences Payable	270	1,299	1,569
Increase (Decrease) in Customer Deposits	3,575	0	3,575
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 452,627</u>	<u>\$ (7,491)</u>	<u>\$ 445,136</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Wastewater Treatment				
Wastewater Treatment Revenue	\$ 304,000	\$ 304,000	\$ 271,511	\$ (32,489)
Pretreatment Revenue	30,000	30,000	3,755	(26,245)
WasteWater (Sewer)				
Charges for Services	76,000	76,000	60,720	(15,280)
Tap Fees	1,200	1,200	0	(1,200)
Lane Sewer Operations	0	0	75,690	75,690
Potable Water				
Charges for Services	675,000	675,000	669,455	(5,545)
Tap Fees	15,000	15,000	31,168	16,168
Penalties	13,000	13,000	22,386	9,386
Connection Fees	15,000	15,000	26,255	11,255
Reconnection Fees	12,000	12,000	17,900	5,900
Franchise Fees	3,500	3,500	474	(3,026)
Other Revenues	17,500	17,500	679	(16,821)
TOTAL REVENUE	\$ 1,162,200	\$ 1,162,200	\$ 1,179,993	\$ 17,793

EXPENDITURES

Wastewater Treatment Plant

Salaries	\$ 49,470	\$ 49,470	\$ 87,547	\$ (38,077)
Employee Benefits	25,942	24,300	16,604	7,696
Telephone	1,500	1,500	2,156	(656)
Postage	275	275	0	275
Office Supplies	1,000	1,000	112	888
Janitorial Supplies	150	150	0	150
Printing Supplies	75	75	0	75
Miscellaneous Expense	750	750	273	477
Property and Equipment Insurance	2,500	2,500	0	2,500
Tort Insurance	150	150	0	150
Machinery and Equipment Repairs	40,000	35,285	11,132	24,153
Electricity	85,000	85,000	63,165	21,835
Water and Sewer	5,000	5,000	4,065	935
Travel & Training	3,600	3,600	0	3,600
Membership & Dues	100	100	0	100
Independent Auditors	2,500	2,500	0	2,500
Legal Contractual Services	1,000	1,000	0	1,000
Workman's Compensation	788	820	819	1
Contractual Services O&M	75,000	70,425	82,148	(11,723)
Contractual Services Other	20,000	21,605	23,564	(1,959)
Operating Permits	1,600	1,600	1,330	270
Chemical Chlorine	6,500	6,500	1,866	4,634
Depreciation Expense	0	0	4,511	(4,511)
Engineering	2,000	2,000	782	1,218
Lab Expense	300	300	0	300
General Expense	1,800	1,800	1,513	287

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
General and Admin. Expense	4,000	4,000	0	4,000
Equipment Rental	1,000	1,000	0	1,000
Computer Hardware	2,000	2,000	0	2,000
Total Wastewater Treatment Plant	\$ 334,000	\$ 324,705	\$ 301,587	\$ 23,118
Wastewater (Sewer)				
Salaries	\$ 6,843	\$ 6,843	\$ 14,981	\$ (8,138)
Employee Benefits	4,662	4,667	4,068	599
Office Supplies	200	200	112	88
Miscellaneous Expense	1,500	1,500	0	1,500
Property and Equipment Insurance	500	500	0	500
Machinery and Equipment Repairs	18,000	18,000	11,509	6,491
Electricity	25,000	28,295	28,771	(476)
Travel & Training	400	400	0	400
Workman's Compensation	395	425	410	15
Contractual Services O&M	10,000	10,000	2,646	7,354
Contractual Services Other	7,500	12,075	12,054	21
Depreciation Expense	0	0	149,196	(149,196)
Engineering	2,000	2,000	0	2,000
General Expense	200	200	0	200
Lane Sewer Operations	0	0	38,440	(38,440)
Total Wastewater (Sewer)	\$ 77,200	\$ 85,105	\$ 262,187	\$ (177,082)
Potable Water				
Salaries	\$ 51,470	\$ 45,874	\$ 35,298	\$ 10,576
Employee Benefits	11,727	11,902	9,095	2,807
Telephone	3,600	3,175	1,313	1,862
Postage	3,000	3,425	3,699	(274)
Office Supplies	1,400	5,995	4,618	1,377
Advertising & Promotion	1,200	1,200	888	312
Printing Supplies	2,600	2,600	4,113	(1,513)
Miscellaneous Expense	2,500	3,326	3,645	(319)
Property and Equipment Insurance	3,236	3,236	0	3,236
Tort Insurance	150	150	0	150
Machinery and Equipment Repairs	40,000	40,000	4,324	35,676
Electricity	40,000	40,000	102,117	(62,117)
Travel & Training	3,800	3,800	3,293	507
Membership & Dues	200	200	115	85
Automotive Gas & Fuel	0	0	1,600	(1,600)
Independent Auditors	7,400	7,400	0	7,400
Legal Contractual Services	500	500	0	500
Bank Charges Other	750	750	3,959	(3,209)
Workman's Compensation	1,268	1,268	819	449
Contractual Services O&M	80,000	80,000	164,152	(84,152)
Contractual Services Other	16,000	16,000	18,880	(2,880)
Operating Permits	7,500	7,500	10,864	(3,364)
Install Water Taps Contracted	16,000	16,000	2,848	13,152
Chemical Chlorine	15,000	15,000	11,193	3,807

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Depreciation Expense	0	0	659,391	(659,391)
Engineering	1,000	1,000	0	1,000
Materials Water Taps	1,000	1,000	2,155	(1,155)
General Expense	1,500	1,500	2,781	(1,281)
General and Admin. Expense	1,389	1,389	0	1,389
Purchased Water for Resale	750	750	5	745
Total Potable Water	\$ 314,940	\$ 314,940	\$ 1,051,165	\$ (736,225)
TOTAL OPERATING EXPENSES	\$ 726,140	\$ 724,750	\$ 1,614,939	\$ (890,189)
OPERATING INCOME	\$ 436,060	\$ 437,450	\$ (434,946)	\$ (872,396)
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	500	1,750	77	(1,673)
Interest Expense	(436,560)	(439,200)	(384,981)	54,219
RDA Grant	0	0	4,747,059	4,747,059
Community Development Block Grant	0	0	30	30
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ (436,060)	\$ (437,450)	\$ 4,362,185	\$ 4,799,635
CHANGE IN NET POSITION	\$ 0	\$ 0	\$ 3,927,239	\$ 3,927,239
NET POSITION, Beginning of Year	19,374,990	19,374,990	19,374,990	0
NET POSITION, END OF YEAR	\$ 19,374,990	\$ 19,374,990	\$ 23,302,229	\$ 3,927,239

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
WILLIAMSBURG COUNTY TRANSIT SYSTEM
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

**DMT CONTRACT NUMBER - PT-31011-31
CONTRACT PERIOD - JULY 1, 2012 - JUNE 30, 2013**

	<u>BUDGET</u>	<u>SECTION 5311</u>	<u>SMTF</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>VARIANCE</u>
Administration						
Personnel	\$ 177,450	\$ 121,071	\$ 14,608	\$ 45,783	181,462	\$ (4,012)
Fringe Benefits	75,500	30,891	3,727	11,681	46,300	29,200
Professional & Technical Services	2,000	1,707	206	645	2,558	(558)
Contract Maintenance Services	2,000	0	0	44,283	44,283	(42,283)
Custodial Services	1,500	911	110	344	1,365	135
Materials & supplies	7,500	13,692	1,652	5,177	20,521	(13,021)
Utilities	35,000	23,784	2,870	8,994	35,647	(647)
Temporary Help	4,100	0	0	0	0	4,100
Dues & Subscriptions	700	0	0	970	970	(270)
Instate Travel & Meetings	10,500	1,900	229	718	2,847	7,653
Out-of-State Travel & Meetings	0	3,564	430	1,348	5,341	(5,341)
Advertising & Promotion	2,800	623	75	236	934	1,866
Other Miscellaneous	2,000	9,642	1,163	3,646	14,452	(12,452)
Lease & Rentals - Copier	2,500	1,051	127	397	1,575	925
Other Office Rentals	2,000	1,193	144	451	1,788	212
Rental of Door Mats	1,200	0	0	0	0	1,200
Operations						
Salaries	718,500	98,997	48,163	329,705	476,866	241,634
Employee Benefits	124,800	34,876	16,967	116,151	167,994	(43,194)
Uniforms	15,000	2,436	1,185	8,112	11,733	3,267
Contract Services, Materials & Supplies	45,000	16,788	8,167	55,910	80,865	(35,865)
Fuel & Lubricants	348,474	115,265	55,994	383,680	554,939	(206,465)
Tires & Tubes	65,000	4,319	2,101	14,384	20,804	44,196
Other Services	0	0	0	3,761	3,761	(3,761)
Other Material & Supplies	60,000	11,851	5,766	39,469	57,086	2,914
Vehicle Leasing & Fees	0	229	112	764	1,105	(1,105)
Insurance Casualty & Liability	85,000	18,368	8,936	61,175	88,480	(3,480)
In State Travel & Meetings	0	730	355	2,430	3,514	(3,514)
Out of State Travel & Meetings	0	1,325	644	4,412	6,381	(6,381)
Portable Toilets	3,500	0	0	0	0	3,500
Drug Testing	1,500	531	258	1,769	2,558	(1,058)
Other Miscellaneous Operations	6,550	4,169	2,028	13,885	20,082	(13,532)
Leasing & Rentals	0	0	0	1,542	1,542	(1,542)
Capital						
Bus	85,000	74,586	0	0	74,586	10,414
Salaries	161,350	111,094	23,380	27,312	161,785	(435)
Fringe Benefits	0	8,664	913	2,531	12,108	(12,108)
Title XIX						
Salaries	0	0	0	50,918	50,918	(61,225)
Fringe Benefits	0	0	0	13,255	13,255	(17,578)
Other Operating Expenses						
Depreciation Expense	0	0	0	381,338	381,338	(381,338)
Post Employee Benefit Expense	0	0	0	(1,609)	(1,609)	1,609
Compensated Absense Expense	0	0	0	9,908	9,908	(9,908)
Loss on Disposal of Capital Assets	0	0	0	81,102	81,102	(81,102)
Other General Expense	0	0	0	15,983	15,983	(15,983)
	<u>\$ 2,046,424</u>	<u>\$ 714,256</u>	<u>\$ 200,311</u>	<u>\$ 1,742,560</u>	<u>\$ 2,657,127</u>	<u>\$ (610,703)</u>

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

2,582,541
74,586
\$ 2,657,127

SINGLE AUDIT SECTION

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
HEALTH AND HUMAN SERVICES			
Passed Through State of S.C. Department of Alcohol & Drug Abuse Alcohol & Drug Abuse Grants	93.959	N/A	\$ 187,724
HOUSING AND URBAN DEVELOPMENT			
Passed Through S.C. Department of Commerce Saint Mark Project	14.228	7-CL-07-001	30
HOMELAND SECURITY			
Safer Grant	97.044	EMW-2008-FF-0098	238,561
Safer Grant	97.044	EMW-2010-FF-00389	30,700
Passed Through SLED			
LEMPG	97.042	2012LEMPG	54,413
LEMPG	97.042	2011LEMPG	3,497
LEMPG	97.042	2013LEMPG	800
Emergency Operation Center Enhancemnets	97.052	2010-EO-MX-0032	1,000,000
Passed Through SCEMD			
Citizens Corp.	97.067	9SHSP51	2,312
Citizens Corp.	97.067	7SHSP51	38,629
Citizens Corp.	96.067	9CCP01	4,333
ENVIROMENTAL PROTECTION AGENCY			
Brownsfield Assessment Grant	66.818	BF954627100	177,876
DEPARMENT OF TRANSPORTATION			
Passed Through S.C. Department of Aeronautics Airport Improvement Program	20.106	3-45-0033-012-2011	156,694
Passed Through State of S.C. Department of Transportation Office of Public Transportation Rural Transportation	20.509	PT-31011-31	651,247
DEPARTMENT OF ENERGY			
HVAC System	81.128	EWA-01	121,702
DEPARTMENT OF INTERIOR			
Save America's Treasures	15.929	45-09-ML-0941	171,000

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
DEPARTMENT OF JUSTICE			
Justice Assistance Grant	16.804	2012-DJ-BX-0668	11,328
Security Enhancement	16.804	2009-SB-B9-3284	23,577
Justice Assistance Grant	16.737	2011-DJ-BX-3371	10,945
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
RBEG Grant	10.769	N/A	18,297
Water & Wastewater Disposal Systems for Rural Communities:			
Millwood RDA Grant	10.760	N/A	4,747,059
Millwood RDA Loan	10.760	N/A	9,528,000
Passed Through SC Dept. of Social Service Summer Feeding Program	10.559	SF-110	<u>318,032</u>
TOTALS			\$ <u><u>17,496,756</u></u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013:

Rural Transportation Grants	20.509
Summer Feeding Program	10.559
Rural Development Grants and Loans	10.760
Emergency Operation Center Enhancement	97.044

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, 2013 are as follows:

Rural Development Loan Number 8	\$ 32,541
Rural Development Loan Number 10	426,995
Rural Development Loan Number 12	2,022,079
Rural Development Loan Number 16 Lane Sewer	662,991
Rural Development Loan 14 Kingstree East I	3,490,426
Rural Development Loan 18 Kingstree East II	3,576,000
Rural Development Loan 22	<u>9,528,000</u>
	<u>\$19,739,032</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
Williamsburg County
Kingstree, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 7, 2014. Our report includes a reference to other auditors who audited the financial statements of Williamsburg County Alcohol and Drug Abuse special revenue fund, as described in our report on Williamsburg County's financial statements.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as 2013-B1.

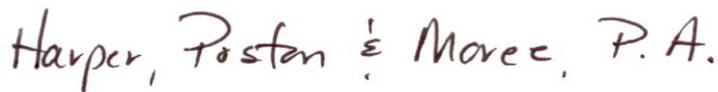
We noted certain other matters that we reported to management of the County in a separate letter dated March 7, 2014.

Auditee's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Report

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



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

Georgetown, South Carolina
March 7, 2014



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

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

Report on Compliance for Each Major Federal Program

We have audited Williamsburg County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Harper, Poston & Moree, P.A.

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

Georgetown, South Carolina
March 7, 2014

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. No significant deficiencies were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. 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 unmodified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
Rural Development Water & Waste Water Improvements	10.760
Rural Transportation Grant	20.509
Summer Feeding Program	10.559
Emergency Operations Center Enhancement	97.052

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Williamsburg County, South Carolina was not determined to be a low risk auditee.

B - FINDINGS - FINANCIAL STATEMENT AUDIT

Noncompliance:

Finding 2013- 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, 2013**

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.