

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**

**AUDITED BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED  
JUNE 30, 2009**

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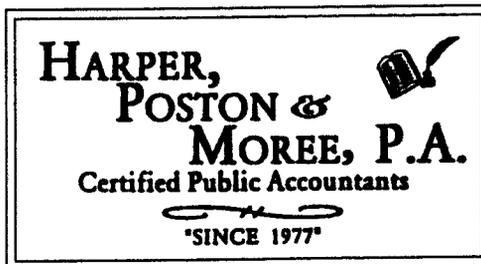
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County, South Carolina as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Williamsburg County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Williamsburg County Alcohol & Drug Abuse Commission special revenue fund, which represents 8 percent and 14 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included in the other governmental fund column for the Williamsburg County Alcohol and Drug Abuse Commission is based solely on the report of the other auditors.

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

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of June 30, 2009, and respective changes in the financial position and cash flows, thereof for the year then ended

in conformity with accounting principles generally accepted in the United States of America.

As described in Note 21 to the financial statements, the County adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions, as of July 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2010 on our consideration of Williamsburg County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and schedule of funding progress and employers contribution are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Williamsburg County, South Carolina. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our report and the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Harper, Poston & Moree, P.A.*

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

Georgetown, South Carolina  
February 9, 2010

## 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, 2009. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

## Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2009 by \$29,553 (net assets). This is a decrease of \$2,617 from the prior year net assets. \$2,167 of this decrease is greatly impacted by the latest Landfill Post-Closure Report which required the additional accrual of \$2,211 to be added to the accrued post closure costs.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$11,627. Approximately 37% of this total amount of \$4,322 is available for spending at the government's discretion (unreserved fund balance).
- ❖ As of the close of the current fiscal year, unreserved fund balance for the general fund was \$4,564 or 30% of the total general fund expenditures.
- ❖ Williamsburg County's long-term debt increased by \$4,214 (25%) during the current fiscal year. The main component of this increase is the purchase of a General Obligation Bond for \$2,250 for the construction and equipping of five (5) fire stations for Rural Fire. The other main component to the increase is the required posting of the Landfill Post Closure costs in the amount of \$2,211 less reductions in the long term debt for annual debt payments made throughout the fiscal year.

## Overview of the Financial Statements

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

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

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

**Government-wide financial statements.** Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Williamsburg County and are similar to private sector financial statements. They include a statement of net assets and a statement of activities. These statements appear on pages 13 and 14 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net assets and of activities in the fund financial statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Unit. For those readers interested in more information on the component unit, contact information is provided in Note 1. A. on page 26 of this report.

The Statement of Net Assets shows the County's assets less its liabilities at June 30, 2009. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

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

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

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

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

**Governmental funds.** Governmental funds, presented on pages 15 through 18, essentially account for the same functions as those reported under government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Williamsburg County's near-term financing requirements and available resources.

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

Governmental funds individually presented in Williamsburg County's statements include four major funds, the General Fund, the Rural Fire Fund, the Landfill Fund, 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 57 and 58.

**Proprietary funds.** Williamsburg County maintains and presents proprietary funds for three enterprises, Water and Sewer, Transit Authority and E-911, shown on pages 19 through 23 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 24 and 25 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 26 through 54.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Williamsburg County, assets exceed liabilities by \$29,553 at the close of the June 30, 2009 fiscal year.

Of this amount, \$25,734 (87%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County's net assets, \$3,644 (12%) represents restrictions for Landfill Closure and Post Closure and \$1,167 (4%) represents restrictions for debt service and \$27 restricted for public safety.

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

**Williamsburg County's Net Assets  
June 30, 2009  
(Recapped from page 13)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	14,492	11,919	1,438	1,852	15,930	13,771
Capital assets	17,575	17,273	18,259	16,098	35,834	33,371
<b>Total assets</b>	<b>32,067</b>	<b>29,192</b>	<b>19,697</b>	<b>17,950</b>	<b>51,764</b>	<b>47,142</b>
Long-term liabilities						
outstanding	13,028	2,163	2,789	174	15,817	2,337
Other liabilities	6,105	11,929	289	706	6,394	12,635
<b>Total liabilities</b>	<b>19,133</b>	<b>14,092</b>	<b>3,078</b>	<b>880</b>	<b>22,211</b>	<b>14,972</b>
Net Assets:						
Invested in capital assets, net of related debt	10,242	9,526	15,492	15,379	25,734	24,905
Restricted for Landfill						
Public Safety	27	-	-	-	27	-
closure and post closure	3,644	3,177	-	-	3,644	3,177
Restricted - other	1,137	1,301	30	30	1,167	1,331
Unrestricted	(2,116)	1,096	1,097	1,661	(1,019)	2,757
<b>Total net assets</b>	<b>12,934</b>	<b>15,100</b>	<b>16,619</b>	<b>17,070</b>	<b>29,553</b>	<b>32,170</b>

**Governmental activities.** Governmental activities decreased the County's net assets by \$2,167. Of this decrease, \$660 was monies transferred to the Business-type activities for general operation.

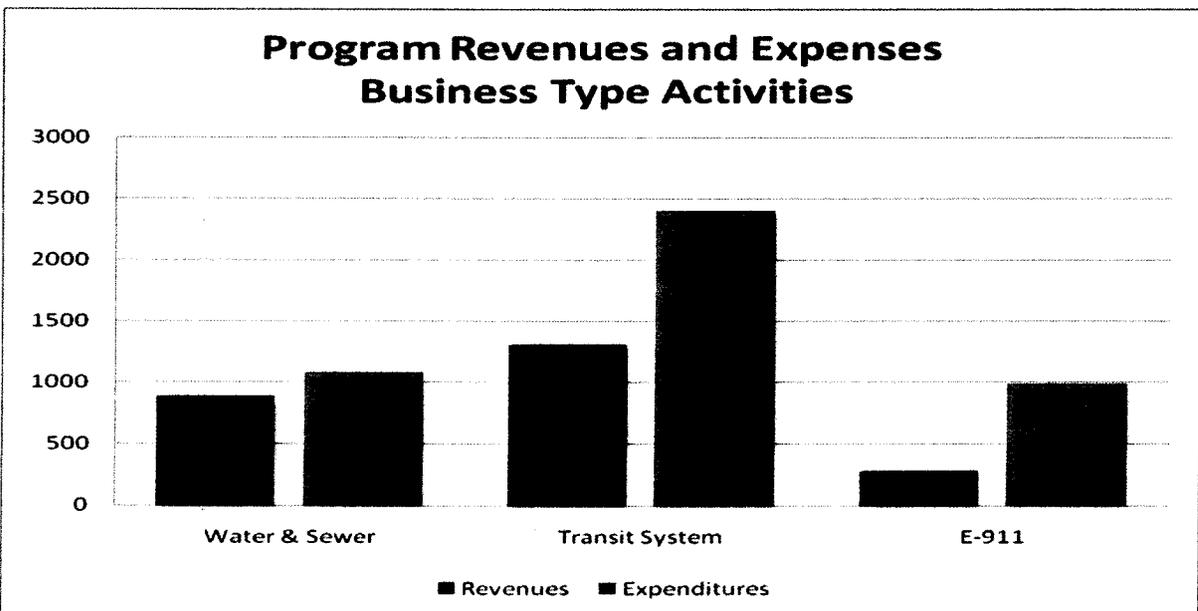
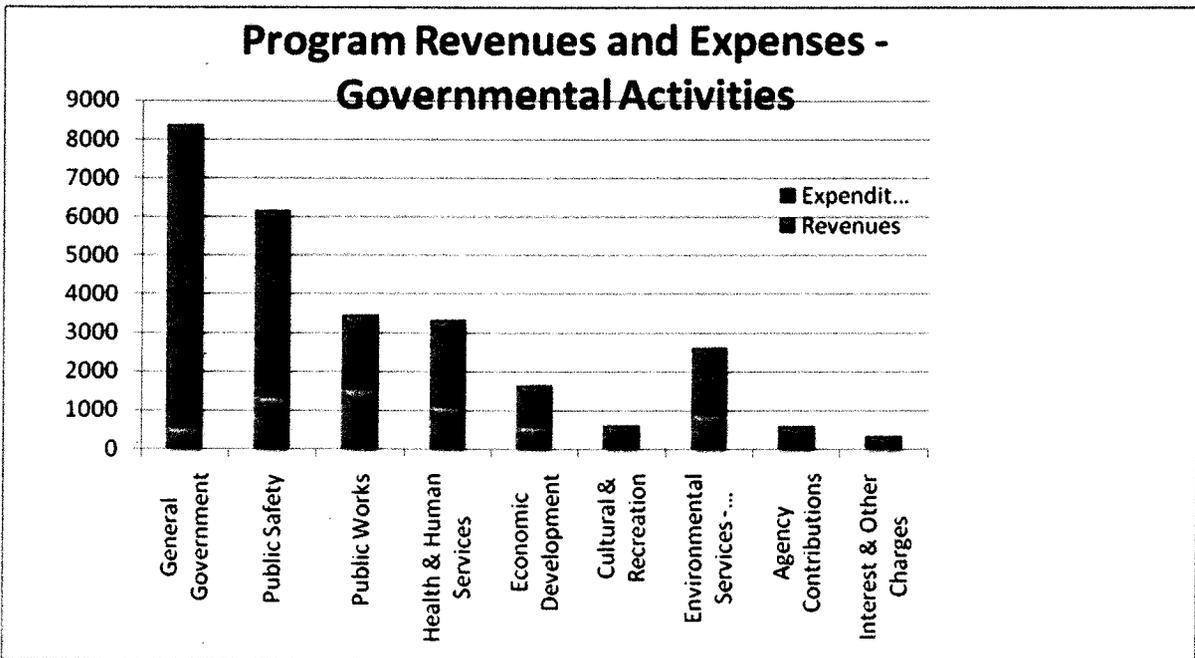
**Business-type activities.** Business-type activities decreased the County's net assets by \$451, accounting for 12% of the reduction in the government's net assets. Combined decrease of Net Assets is \$2,617.

**Williamsburg County, South Carolina  
Changes in Net Assets (Recapped)  
For the Fiscal Year ended June 30, 2009**

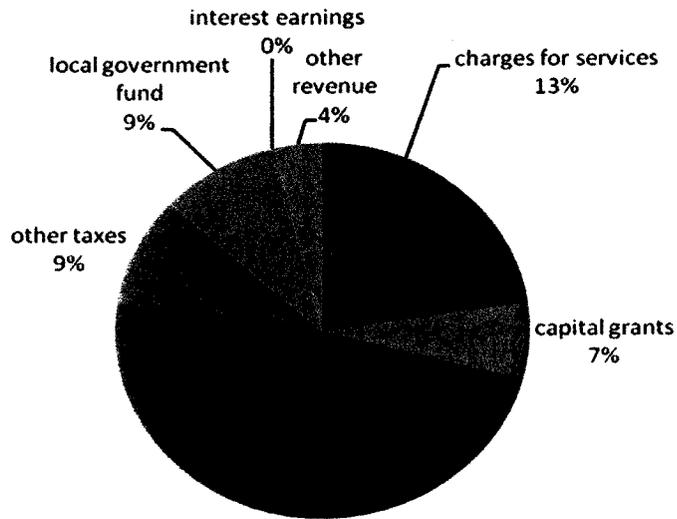
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	3,052	2,959	2,515	2,457	5,567	5,416
Operating grants and contributions	2,243	3,161	668	659	2,911	3,820
Capital grants and contributions	1,542	-	8	503	1,550	503
<b>General revenues:</b>						
Property taxes	11,276	11,073	-	-	11,276	11,073
Other taxes	2,209	2,065	-	-	2,209	2,065
Local government fund	2,101	2,107	-	-	2,101	2,107
Other revenue	870	768	-	-	870	768
Investment earnings	91	217	50	51	141	268
<b>Total Revenue</b>	<b>23,384</b>	<b>22,350</b>	<b>3,241</b>	<b>3,670</b>	<b>26,625</b>	<b>26,020</b>
<b>Expenses:</b>						
<b>Program Activities:</b>						
<b>Government Activities:</b>						
General government	8,211	7,792	-	-	8,211	7,792
Public safety	5,244	4,802	-	-	5,244	4,802
Public works	1,707	1,872	-	-	1,707	1,872
Health and welfare	2,522	2,210	-	-	2,522	2,210
Economic development	1,099	1,037	-	-	1,099	1,037
Culture and recreation	589	512	-	-	589	512
Environmental services	4,410	2,579	-	-	4,410	2,579
Agency contributions	627	560	-	-	627	560
Interest and other charges	481	314	-	-	481	314
<b>Business-type activities:</b>						
Water and Sewer Fund	-	-	1,110	1,080	1,110	1,080
Transit System	-	-	2,238	2,393	2,238	2,393
E-911 Fund	-	-	1,004	987	1,004	987
<b>Total Expenses</b>	<b>24,890</b>	<b>21,678</b>	<b>4,352</b>	<b>4,460</b>	<b>29,242</b>	<b>26,138</b>
Transfers	(660)	(650)	660	650	-	-
<b>Increase in Net Assets</b>	<b>(2,166)</b>	<b>22</b>	<b>(451)</b>	<b>(140)</b>	<b>(2,617)</b>	<b>(118)</b>
Net Assets 07/01/2008, as restated	15,100	15,078	17,070	17,210	32,170	32,288
<b>Net Assets 06/30/2009</b>	<b>\$ 12,934</b>	<b>\$15,100</b>	<b>\$16,619</b>	<b>\$17,070</b>	<b>\$29,553</b>	<b>\$32,170</b>

Property tax revenues increased over last year by \$203 or 2%. This increase is primarily due to the 2 mil increase for property tax approved by Council for the fiscal year. The \$918 decrease in grant revenue in the governmental fund was primarily from decreased activity with departmental grants. We received \$1,542 in capital grants for the Public Safety and Economic Development. All other revenue sources experienced slight increases in the year giving the combined increase in revenue of \$605 over last year.

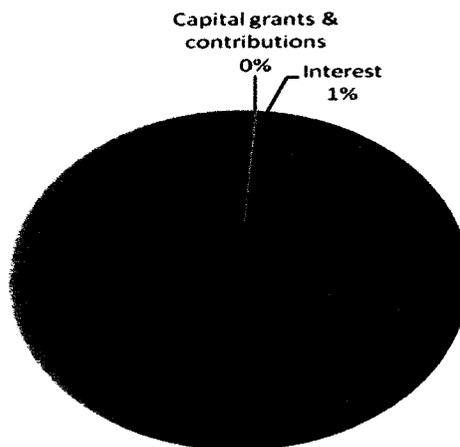
Program revenues are derived directly from the program. They reduce the net cost of the function to be supported from the county's general revenue sources. In 2009 the economic development function was funded by program revenues, because of the capital additions.



## Revenues By Source - Governmental Activities



## Revenues by Source - Business-type Activities



For the most part, increases in expenses for Business-type funds closely paralleled inflation and growth in the demand for services. Increases in expenses were generated primarily from fuel costs and in the Water and Sewer Authority costs associated with contractual fees. There were transfers of \$660 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 \$11,627, an increase of \$1,901 (16%) from the previous year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$4,564 for the general fund was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 30% of total general fund expenditures. The net increase in the fund balance of the general fund was \$246 during the current year. There was Operating Transfers In in the amount of \$1,028 from Debt Service for the purpose of reimbursing the general fund for debt payments and reimbursement from Public Works for expenditures. Operating transfers (Out) from the general fund were \$1,689.

The rural fire fund has a total fund balance of \$2,268, of which \$170 of the fund balance is unrestricted funds. \$2,099 is restricted for the construction and equipping of the five (5) fire stations.

The debt service fund has a total fund balance of \$1,223, all of which is reserved for the payment of debt service. A decrease of \$181 in the fund balance results from a decrease in taxes collected for the fiscal year that is to pay fiscal year debt payments.

The remaining special revenue funds have a combined total fund balance of \$3,571. The landfill closure fund has a fund balance of \$3,081. The other governmental funds included in the above totals had a combined fund balance of \$490. \$151 is unreserved in the other governmental funds and the landfill fund has a deficit unreserved fund balance of \$563.

**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 19 through 23.

Unrestricted net assets of the Water and Sewer System at the end of the year amounted to \$144 and the Transit System totaled \$1,803. The E-911 Fund experienced a negative unrestricted net asset of \$850, primarily due to the transfers due to the general fund for operating expenses not covered by subscriber fees. The net assets for the Water and Sewer System increased \$146. The Transit net assets decreased \$283. E-911 experienced a decrease in net assets of \$314 due from a decrease in operating revenues of \$34 but also an increase in operating expenses of \$19.

## **General Fund Budgetary Highlights**

There was approximately 4% (\$741) decrease in revenues between the original budget and the final amended budget shown on pages 55 and 56 of this report. The major contributor to the decrease in revenues was from current tax collections (\$467). All revenue streams experienced a decrease from the original budget to the final amended budget. This decrease did affect the current budget spending by \$325.

## 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, 2009 amounted to \$35,835 (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 7%. Both governmental activities and business-type activities experienced an increase in capital assets for the fiscal year.

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

- Various capital assets purchased for other departments.
- Land improvements to various facilities.
- Paving of county-owned roads.

### Capital Assets for Governmental and Business-type Activities

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	1,829	1,720	148	148	1,977	1,868
Land improvements	3,330	2,397	-	-	3,330	2,397
Buildings	3,784	3,957	34	38	3,818	3,995
Building improvements	2,301	2,373	47	51	2,348	2,424
Roads & Bridges	3,263	3,145	-	-	3,263	3,145
Water Distribution System	-	-	13,504	12,955	13,504	12,955
Leasehold improvements	191	204	-	-	191	204
Furniture & fixtures	848	905	120	140	968	1,045
Machinery & equipment	383	741	92	81	475	822
Automotive equipment	1,421	1,775	840	980	2,261	2,755
Communication equipment	225	57	502	549	727	606
Construction in progress	-	-	2,973	1,155	2,973	1,155
<b>Total</b>	<b>\$ 17,575</b>	<b>\$ 17,274</b>	<b>\$ 18,260</b>	<b>\$ 16,097</b>	<b>\$ 35,835</b>	<b>\$ 33,371</b>

Additional information on the County's capital assets can be found in Note 5 on pages 34 through 37 of this report.

**Long-term debt.** At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$12,346 backed by the full faith and credit of the government.

### Williamsburg County Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation						
bonds	6,017	4,140	-	-	6,017	4,140
Unamortized Premium	19	20	-	-	19	20
Bond anticipation						
notes	1,586	1,586	-	-	1,586	1,586
Revenue bonds	-	-	488	494	488	494
Bond anticipation						
notes	-	-	2,102	-	2,102	-
Total bonds payable	<u>7,622</u>	<u>5,746</u>	<u>2,590</u>	<u>494</u>	<u>10,212</u>	<u>6,240</u>
Capital leases	1,956	2,002	99	148	2,055	2,150
Vehicle Acquisition Plan	-	-	79	-	79	-
<b>Total</b>	<b><u>\$ 9,578</u></b>	<b><u>\$ 7,748</u></b>	<b><u>\$ 2,768</u></b>	<b><u>\$ 642</u></b>	<b><u>\$ 12,346</u></b>	<b><u>\$ 8,390</u></b>

The County's total bonded debt increased by \$3,956 (32%) during the current fiscal year, primarily as a result of the Rural Fire G.O. Bond (\$2,250) and the Water & Sewer Bond Anticipation Note (\$2,102) and then the decreases in annual bond payments throughout the fiscal year.

Williamsburg County maintains a 'BBB' rating from Standards & Poor's Rating group and a 'Baa3' rating from Moody's Investors Service for its most recent general obligation bond (2004).

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 \$7,017. The current general obligation bonds subject to the legal debt limitation is \$2,676 for the General Fund. The bonds for the Rural Fire Debt are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District.

Additional information on the County's long-term debt can be found in note 8 on pages 38 through 42 of this report.

#### **Economic Factors and Next Year's Budgets and Rates**

- ❖ As of December 2008 the annual average unemployment rate for Williamsburg County is 14.2%. This is a 2.1% increase from the highest unemployment rate in 10 years. Williamsburg County is currently ranked 13<sup>th</sup> in unemployment in the State. Despite this despairing economic condition, there are several new projects coming in 2010 to reduce the unemployment rate in this county.
- ❖ Williamsburg County currently has two new project announcements. These projects are Sykes Corporation with the investment of approximately \$5,000,000 and employing over 500 associates to full time jobs and Project Truss which was announced November 25, 2009 with 25-50 new jobs.

- ❖ Williamsburg County is currently working with 14 other projects that can possibly bring between 900 – 1000 new jobs into the county. These projects are: Project Arc Tec, Project Bercik, Project Camp, Project Fiber, Project Henry, Project Joe, Project Maryland, Project Rambo, Project Sentinel, Project Shrimp, Project Solar, Project Suture, Project Tumberlin and Project Thumb.
- ❖ Business Development Corporation has received awards of eight (8) new grants and a commitment of one other grant totaling \$2.6 million dollars.
- ❖ Williamsburg County has currently three industrial parks located in Kingstree, Hemingway and Salters, South Carolina. There are two speculative buildings available for qualifying prospects.
- ❖ Williamsburg County passed a balanced budget for the fiscal year 2009, increasing general operating millage by 2 mils as allowed by the Local Government Fiscal Authority Act (Act 409 of 1997, as amended). Debt Service millage for fiscal year 2010 remained the same as 2009.
- ❖ There was a rate increase for Water and Sewer Authority during 2009. No other increases were given for any of the other business-type activities ( transit system or E-911) for fiscal year 2009-2010.

**Requests for Information:**

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

## BASIC FINANCIAL STATEMENTS

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNIT</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	
<b>ASSETS</b>				
Cash	\$ 1,907,271	\$ 670,365	\$ 2,577,636	\$ 111,433
Investments	0	1,375,032	1,375,032	0
Accounts Receivable (Net of Allowance for Uncollectibles)	0	103,609	103,609	1,016
Court Fines Receivable (Net)	24,325	0	24,325	0
Taxes Receivable (Net of Allowance for Uncollectibles)	1,040,052	0	1,040,052	0
Due From Others	28,515	0	28,515	0
Due From State	1,082,843	0	1,082,843	0
Prepaid Assets	0	0	0	10,209
Other Receivables	1,763,414	180,093	1,943,507	0
Internal Balances	978,404	(978,404)	0	0
Inventories	43,395	45,906	89,301	0
Deferred Charges	146,284	0	146,284	0
Interest Receivable	0	11,055	11,055	0
Temporarily Restricted Assets:				
Cash and Investments	7,477,747	30,000	7,507,747	0
Capital Assets (Net of Accumulated Depreciation):				
Land	1,829,225	148,000	1,977,225	0
Construction in Progress	0	2,973,224	2,973,224	0
Land Improvements	3,330,155	0	3,330,155	0
Roads & Bridges	3,262,557	0	3,262,557	0
Buildings	3,783,590	33,460	3,817,050	0
Building Improvements	2,301,260	47,274	2,348,534	0
Leasehold Improvements	191,589	0	191,589	0
Water & Wastewater System	0	13,504,355	13,504,355	0
Furniture & Fixtures	847,430	119,850	967,280	46,978
Machinery & Equipment	383,731	91,709	475,440	15,406
Automotive Equipment	1,420,956	840,085	2,261,041	43,998
Communication Equipment	224,461	501,618	726,079	0
<b>TOTAL ASSETS</b>	<b>\$ 32,067,204</b>	<b>\$ 19,697,231</b>	<b>\$ 51,764,435</b>	<b>\$ 229,040</b>
<b>LIABILITIES</b>				
Accounts Payable	1,011,486	131,210	1,142,696	1,946
Due to Others	341,686	0	341,686	0
Accrued Interest Payable	262,927	31,892	294,819	0
Accrued Salaries and Related Fringes	507,441	0	507,441	4,234
Customer Deposits	0	11,555	11,555	0
Noncurrent Liabilities:				
Due Within One Year	3,981,850	115,098	4,096,948	12,333
Due In More Than One Year	13,028,061	2,788,606	15,816,667	5,460
<b>TOTAL LIABILITIES</b>	<b>\$ 19,133,451</b>	<b>\$ 3,078,361</b>	<b>\$ 22,211,812</b>	<b>\$ 23,973</b>
<b>NET ASSETS</b>				
Invested In Capital Assets, Net Of Related Debt Restricted For:	10,242,233	15,491,836	25,734,069	106,382
Public Safety	25,724	0	25,724	0
Restricted for General Government	774	0	774	0
Restricted Landfill Closure & Post Closure Costs	3,644,328	0	3,644,328	0
Restricted Debt	1,136,709	30,000	1,166,709	0
Unrestricted	(2,116,015)	1,097,034	(1,018,981)	98,685
<b>TOTAL NET ASSETS</b>	<b>\$ 12,933,753</b>	<b>\$ 16,618,870</b>	<b>\$ 29,552,623</b>	<b>\$ 205,067</b>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS			COMPONENT UNIT	
	EXPENSES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY BUSINESS-TYPE ACTIVITIES			TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 8,210,565	\$ 445,230	\$ 90,586	\$ 0	\$ (7,674,749)	\$ 0	\$ (7,674,749)	
Public Safety	5,244,637	683,670	683,705	0	(3,877,262)	0	(3,877,262)	
Public Works	1,707,104	433,375	60,000	413,100	(800,629)	0	(800,629)	
Health & Human Services	2,521,778	679,706	651,746	0	(1,190,326)	0	(1,190,326)	
Economic Development	1,099,304	0	621,677	1,129,235	651,608	0	651,608	
Cultural & Recreation	589,065	24,910	16,729	0	(547,426)	0	(547,426)	
Environmental Services - Landfill	4,410,102	784,735	118,862	0	(3,506,505)	0	(3,506,505)	
Agency Contributions	626,967	0	0	0	(626,967)	0	(626,967)	
Interest and Other Charges	480,609	0	0	0	(480,609)	0	(480,609)	
Total Governmental Activities	\$ 24,890,131	\$ 3,051,626	\$ 2,243,305	\$ 1,542,335	\$ (18,052,865)	\$ 0	\$ (18,052,865)	
<b>Business-Type Activities:</b>								
Water & Sewer Fund	1,109,814	1,240,377	0	7,697	0	138,260	138,260	
Williamsburg County Transit System	2,238,432	1,027,130	668,431	0	0	(542,871)	(542,871)	
E 911 Fund	1,004,707	247,327	0	0	(757,380)	0	(757,380)	
Total Business-Type Activities	\$ 4,352,953	\$ 2,514,834	\$ 668,431	\$ 7,697	\$ 0	\$ (1,161,991)	\$ (1,161,991)	
<b>Total Primary Government</b>	\$ 29,243,084	\$ 5,566,460	\$ 2,911,736	\$ 1,550,032	\$ (18,052,865)	\$ (1,161,991)	\$ (19,214,856)	
<b>Component Unit</b>								
Williamsburg County Library	\$ 492,130	\$ 18,957	\$ 86,402	\$ 0			\$ (386,771)	
<b>Total Component Unit</b>	\$ 492,130	\$ 18,957	\$ 86,402	\$ 0			\$ (386,771)	
<b>GENERAL REVENUES</b>								
Taxes					\$ 11,276,497	\$ 0	\$ 11,276,497	
Contributions from Primary Government					0	0	0	
Local Option Sales Tax					2,209,291	0	2,209,291	
Local Government Fund					2,100,916	0	2,100,916	
State Shared Taxes					776,171	0	776,171	
Interest					91,469	50,265	141,734	
Miscellaneous Revenue					92,677	0	92,677	
Transfers					(660,730)	660,730	0	
<b>TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS</b>					\$ 15,886,291	\$ 710,995	\$ 16,597,286	
<b>CHANGES IN NET ASSETS</b>					\$ (2,166,574)	\$ (450,996)	\$ (2,617,570)	
<b>NET ASSETS, Beginning of Year (As Restated)</b>					15,100,327	17,069,866	32,170,193	
<b>NET ASSETS, End of Year</b>					\$ 12,933,753	\$ 16,618,870	\$ 29,552,623	
							\$ 205,067	

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

ASSETS	GENERAL FUND	RURAL FIRE FUND	LANDFILL FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 1,483,533	\$ 154,327	\$ 5,224	\$ 117	\$ 264,070	\$ 1,907,271
Cash Restricted	598,277	2,098,550	3,644,328	1,136,592	0	7,477,747
Court Fines Receivable (Net of Allowance)	24,325	0	0	0	0	24,325
Due from Others	28,515	0	0	0	0	28,515
Taxes Receivable (Net of Allowance)	653,234	91,757	118,084	176,977	0	1,040,052
Other Receivables	733,105	0	64,086	0	966,223	1,763,414
Due from State Government	1,082,843	0	0	0	0	1,082,843
Inventory	0	0	0	0	43,395	43,395
Due from Other Funds	1,776,920	0	0	19,795	50,997	1,847,712
<b>TOTAL ASSETS</b>	<b>\$ 6,380,752</b>	<b>\$ 2,344,634</b>	<b>\$ 3,831,722</b>	<b>\$ 1,333,481</b>	<b>\$ 1,324,685</b>	<b>\$ 15,215,274</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts Payable	394,636	10,714	4,131	0	602,005	1,011,486
Due to Other Funds	0	4,427	644,256	0	220,625	869,308
Due to Others	341,686	0	0	0	0	341,686
Accrued Wages & Benefits Payable	495,592	0	0	0	11,849	507,441
Deferred Revenue	584,612	61,247	102,149	110,840	0	858,848
<b>TOTAL LIABILITIES</b>	<b>\$ 1,816,526</b>	<b>\$ 76,388</b>	<b>\$ 750,536</b>	<b>\$ 110,840</b>	<b>\$ 834,479</b>	<b>\$ 3,588,769</b>
<b>FUND BALANCE</b>						
Reserved for Debt Service	0	0	0	1,222,641	0	1,222,641
Reserved for Inventory	0	0	0	0	43,395	43,395
Reserved for Closure Costs	0	0	3,644,328	0	0	3,644,328
Reserved for Special Projects	0	0	0	0	295,386	295,386
Reserved for Capital Projects	0	2,098,550	0	0	0	2,098,550
Unreserved	4,564,226	169,696	(563,142)	0	151,425	4,322,205
<b>TOTAL FUND BALANCE</b>	<b>\$ 4,564,226</b>	<b>\$ 2,268,246</b>	<b>\$ 3,081,186</b>	<b>\$ 1,222,641</b>	<b>\$ 490,206</b>	<b>\$ 11,626,505</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 6,380,752</b>	<b>\$ 2,344,634</b>	<b>\$ 3,831,722</b>	<b>\$ 1,333,481</b>	<b>\$ 1,324,685</b>	<b>\$ 15,215,274</b>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009**

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

Ending fund balances - governmental funds balance sheet	\$ 11,626,505
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,574,954
Other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the funds.	858,848
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>(17,126,554)</u>
<b>Net assets of governmental activities</b>	<b><u>\$ 12,933,753</u></b>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	GENERAL FUND	RURAL FIRE FUND	LANDFILL FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Taxes	10,943,889	843,593	0	1,987,201	461,042	14,235,725
Fees, Licenses & Permits	86,761	0	514,076	0	493,848	1,094,685
Intergovernmental Revenue	2,893,209	0	0	0	2,749,203	5,642,412
Charges for Services	810,998	0	237,145	0	0	1,048,143
Fines & Forfeitures	575,719	0	0	0	0	575,719
Miscellaneous Revenues	547,461	1,030	49,068	8,792	191,551	797,902
<b>TOTAL REVENUES</b>	<b>15,858,037</b>	<b>844,623</b>	<b>800,289</b>	<b>1,995,993</b>	<b>3,895,644</b>	<b>23,394,586</b>
<b>EXPENDITURES</b>						
Current:						
General Government	7,805,510	0	0	0	30,975	7,836,485
Public Safety	3,760,479	735,171	0	0	71,199	4,566,849
Public Works	0	0	0	0	1,002,384	1,002,384
Health and Human Services	1,472,231	0	0	0	855,148	2,327,379
Cultural and Recreational	445,906	0	0	0	20,727	466,633
Economic Development	544,106	0	0	0	908,530	1,452,636
Environmental Services - Landfill	626,967	0	1,508,470	0	49,529	2,102,105
Other	0	0	0	0	0	626,967
Capital Outlay:						
General Government	211,658	0	0	0	0	211,658
Public Safety	196,230	26,627	0	0	49,447	272,304
Public Works	0	0	0	0	456,176	456,176
Health and Human Services	228,977	0	0	0	0	228,977
Economic Development	0	0	0	0	1,129,236	1,129,236
Cultural and Recreational	74,342	0	0	0	0	74,342
Environmental Services - Landfill	5,672	0	110,574	0	0	116,246
Debt Service:						
Principal	0	0	0	1,204,959	0	1,204,959
Interest	17,225	0	0	276,067	0	293,292
Bond Issuance Costs	7,504	25,000	0	12,000	0	44,504
<b>TOTAL EXPENDITURES</b>	<b>15,396,807</b>	<b>786,798</b>	<b>1,619,044</b>	<b>1,493,026</b>	<b>4,573,351</b>	<b>23,869,026</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>461,230</b>	<b>57,825</b>	<b>(818,755)</b>	<b>502,967</b>	<b>(677,707)</b>	<b>(474,440)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	687,690	0	340,697	344,163	1,028,685	2,401,235
Transfers (Out)	(1,689,414)	(81,827)	(27,256)	(1,028,387)	(235,081)	(3,061,965)
General Obligation Bond Proceeds	0	2,250,000	0	0	0	2,250,000
Lease Purchase Proceeds	786,210	0	0	0	0	786,210
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(215,514)</b>	<b>2,168,173</b>	<b>313,441</b>	<b>(684,224)</b>	<b>793,604</b>	<b>2,375,480</b>
<b>EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>245,716</b>	<b>2,225,998</b>	<b>(505,314)</b>	<b>(181,257)</b>	<b>115,897</b>	<b>1,901,040</b>
FUND BALANCE, Beginning of Year	4,318,510	42,248	3,586,500	1,403,898	374,309	9,725,465
FUND BALANCE, End of Year	4,564,226	2,268,246	3,081,186	1,222,641	490,206	11,626,505

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, 2009**

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

Net change in fund balances - total governmental funds	\$	1,901,040
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.		301,230
Revenues in the statement of activities, such as property taxes, ambulance fees and police fines that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.		(10,299)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(2,016,611)
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.		(2,341,934)
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>(2,166,574)</u></b>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2009**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER &amp; SEWER FUND</b>	<b>WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND</b>	<b>E911 FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 197,248	\$ 362,577	\$ 110,540	\$ 670,365
Investments	0	1,375,032	0	1,375,032
Restricted Cash & Investments	30,000	0	0	30,000
Inventory	0	45,906	0	45,906
Accrued Interest Receivable	440	10,615	0	11,055
Accounts Receivable, Net of Allowance	87,515	16,094	0	103,609
Due from Other Funds	359	0	0	359
Receivable - Other	1,712	155,102	23,279	180,093
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 317,274</b>	<b>\$ 1,965,326</b>	<b>\$ 133,819</b>	<b>\$ 2,416,419</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	2,973,224	0	0	2,973,224
Water & Sewer System	15,796,385	0	0	15,796,385
Furniture and Fixtures	0	0	315,917	315,917
Machinery and Equipment	0	141,555	764,531	906,086
Vehicles	0	2,648,422	19,559	2,667,981
Buildings & Improvements	0	172,099	110,102	282,201
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(2,292,030)	(2,057,606)	(494,027)	(4,843,663)
<b>NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>\$ 16,597,579</b>	<b>\$ 945,914</b>	<b>\$ 716,082</b>	<b>\$ 18,259,575</b>
<b>TOTAL ASSETS</b>	<b>\$ 16,914,853</b>	<b>\$ 2,911,240</b>	<b>\$ 849,901</b>	<b>\$ 20,675,994</b>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2009**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER &amp; SEWER FUND</b>	<b>WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND</b>	<b>E911 FUND</b>	<b>TOTAL</b>
<b>LIABILITIES</b>				
<b>SHORT-TERM LIABILITIES</b>				
Accounts Payable	\$ 97,387	\$ 33,670	\$ 153	\$ 131,210
Due to Other Funds	0	38,972	939,791	978,763
Compensated Absences Payable	1,302	17,367	16,421	35,090
Vehicle Acquisition Plan Payable	0	12,693	0	12,693
Bonds Payable - RDA	6,032	0	0	6,032
Bond Anticipation Note	13,111	0	0	13,111
Capital Leases Payable	0	0	48,172	48,172
Accrued Interest Payable	31,892	0	0	31,892
Customer Deposits	11,555	0	0	11,555
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>\$ 161,279</b>	<b>\$ 102,702</b>	<b>\$ 1,004,537</b>	<b>\$ 1,268,518</b>
<b>LONG-TERM LIABILITIES</b>				
Compensated Absences Payable	1,302	17,367	16,422	35,091
OPEB Liability	0	54,820	10,964	65,784
Vehicle Acquisition Plan Payable	0	66,175	0	66,175
Capital Leases Payable	0	0	50,630	50,630
Bond Anticipation Note	2,088,889	0	0	2,088,889
Bonds Payable - RDA	482,037	0	0	482,037
	0			
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 2,572,228</b>	<b>\$ 138,362</b>	<b>\$ 78,016</b>	<b>\$ 2,788,606</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 2,733,507</b>	<b>\$ 241,064</b>	<b>\$ 1,082,553</b>	<b>\$ 4,057,124</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	14,007,510	867,046	617,280	15,491,836
Restricted for Debt Service	30,000	0	0	30,000
Unrestricted	143,836	1,803,130	(849,932)	1,097,034
<b>TOTAL NET ASSETS</b>	<b>\$ 14,181,346</b>	<b>\$ 2,670,176</b>	<b>\$ (232,652)</b>	<b>\$ 16,618,870</b>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER &amp; SEWER FUND</b>	<b>WILLIAMSBURG COUNTY TRANSIT SYSTEM</b>	<b>E911 FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,240,377	\$ 1,027,130	\$ 247,327	\$ 2,514,834
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,240,377</b>	<b>\$ 1,027,130</b>	<b>\$ 247,327</b>	<b>\$ 2,514,834</b>
<b>OPERATING EXPENSES</b>				
Cost of Sales & Services	309,443	582,937	206,317	1,098,697
Personnel & Benefits	106,443	1,229,474	650,537	1,986,454
Administration	232,455	214,189	63,798	510,442
Depreciation	408,295	202,054	77,116	687,465
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,056,636</b>	<b>\$ 2,228,654</b>	<b>\$ 997,768</b>	<b>\$ 4,283,058</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 183,741</b>	<b>\$ (1,201,524)</b>	<b>\$ (750,441)</b>	<b>\$ (1,768,224)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	7,977	41,115	1,173	50,265
Interest Expense	(53,178)	0	(6,939)	(60,117)
Loss on Disposal of Capital Assets	0	(9,778)	0	(9,778)
CDBG Block Grant	7,697	0	0	7,697
Government Subsidies	0	668,431	0	668,431
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$ (37,504)</b>	<b>\$ 699,768</b>	<b>\$ (5,766)</b>	<b>\$ 656,498</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>\$ 146,237</b>	<b>\$ (501,756)</b>	<b>\$ (756,207)</b>	<b>\$ (1,111,726)</b>
<b>TRANSFERS</b>				
Transfers In	0	218,148	442,582	660,730
<b>TOTAL TRANSFERS</b>	<b>\$ 0</b>	<b>\$ 218,148</b>	<b>\$ 442,582</b>	<b>\$ 660,730</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 146,237</b>	<b>\$ (283,608)</b>	<b>\$ (313,625)</b>	<b>\$ (450,996)</b>
NET ASSETS, Beginning of Year (As Restated)	14,035,109	2,953,784	80,973	17,069,866
<b>NET ASSETS, End of Year</b>	<b>\$ 14,181,346</b>	<b>\$ 2,670,176</b>	<b>\$ (232,652)</b>	<b>\$ 16,618,870</b>

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, 2009**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER &amp; SEWER FUND</b>	<b>WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND</b>	<b>E911 FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,166,437	\$ 1,025,101	\$ 240,679	\$ 2,432,217
Cash Payments to Suppliers for Goods and Services	(447,253)	(923,289)	(271,726)	(1,642,268)
Cash Payments to and for Employee's Benefit	(105,314)	(1,169,301)	(639,107)	(1,913,722)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 613,870</b>	<b>\$ (1,067,489)</b>	<b>\$ (670,154)</b>	<b>\$ (1,123,773)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating Grants	0	668,431	0	668,431
Payments Received from Other Funds	0	218,148	644,454	862,602
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>\$ 0</b>	<b>\$ 886,579</b>	<b>\$ 644,454</b>	<b>\$ 1,531,033</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Grants Received	7,697	0	0	7,697
Property, Plant and Equipment Additions	(2,775,747)	(43,279)	(40,071)	(2,859,097)
Principal Payment Revenue Bonds	(6,368)	0	0	(6,368)
Bond Anticipation Note Proceeds	2,102,000	0	0	2,102,000
Principal Payment Capital Leases	0	0	(49,550)	(49,550)
Interest Paid	(22,121)	0	(6,939)	(29,060)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ (694,539)</b>	<b>\$ (43,279)</b>	<b>\$ (96,560)</b>	<b>\$ (834,378)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	0	(36,994)	0	(36,994)
Interest Received (Reinvested)	8,412	37,645	1,173	47,230
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ 8,412</b>	<b>\$ 651</b>	<b>\$ 1,173</b>	<b>\$ 10,236</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (72,257)</b>	<b>\$ (223,538)</b>	<b>\$ (121,087)</b>	<b>\$ (416,882)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>299,505</b>	<b>586,115</b>	<b>231,627</b>	<b>1,117,247</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 227,248</b>	<b>\$ 362,577</b>	<b>\$ 110,540</b>	<b>\$ 700,365</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>				
Cash	197,248	362,577	110,540	670,365
Cash Restricted	30,000	0	0	30,000
<b>TOTAL CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 227,248</b>	<b>\$ 362,577</b>	<b>\$ 110,540</b>	<b>\$ 700,365</b>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	<b>WATER &amp; SEWER FUND</b>	<b>WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND</b>	<b>E911 FUND</b>	<b>TOTAL</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 183,741	\$ (1,201,524)	\$ (750,441)	\$ (1,768,224)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	408,295	202,054	77,116	687,465
(Increase) Decrease in Accounts and Other Receivables	(73,940)	(38,468)	(6,648)	(119,056)
(Increase) Decrease in Inventory	0	25,306	0	25,306
Increase (Decrease) in Due to General Fund	(359)	(66,996)	0	(67,355)
Increase (Decrease) in Accounts Payable	93,249	(48,034)	(1,611)	43,604
Increase (Decrease) in Salaries and Compensated Absences Payable	1,129	60,173	11,430	72,732
Increase (Decrease) in Customer Deposits	1,755	0	0	1,755
	<u>\$ 613,870</u>	<u>\$ (1,067,489)</u>	<u>\$ (670,154)</u>	<u>\$ (1,123,773)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
<b>NON CASH TRANSACTIONS</b>				
Loss on Disposal of Fixed Assets	\$ 0	\$ 9,778	\$ 0	\$ 9,778
State Vehicle Acquisition Plan	0	78,868	0	78,868
	<u>\$ 0</u>	<u>\$ 88,646</u>	<u>\$ 0</u>	<u>\$ 88,646</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2009**

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 1,934,500	\$ 271,910	\$ 2,206,410
Note Receivable	<u>0</u>	<u>881,189</u>	<u>881,189</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,934,500</u></b>	<b>\$ <u>1,153,099</u></b>	<b>\$ <u>3,087,599</u></b>
<b>LIABILITIES</b>			
Due to Other Taxing Units	1,254,059	0	1,254,059
Due to Estate & Trust Beneficiaries	236,534	0	236,534
Due to Others	101,915	0	101,915
Due to Bidders & Redeemers of Land Sales	216,793	0	216,793
Due to Fine Recipients and Bond Payors	74,226	0	74,226
Due to Support Recipients	13,657	0	13,657
Due to Seized Asset Recipient	<u>37,316</u>	<u>0</u>	<u>37,316</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>1,934,500</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>1,934,500</u></b>
<b>NET ASSETS</b>			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 1,153,099</u>	<u>\$ 1,153,099</u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>REVOLVING LOAN TRUST FUND</b>
<b>ADDITIONS</b>	
Interest Income	\$ 402
SBA Revolving Loan Proceeds	282,000
Program Income	19,200
<b>TOTAL ADDITIONS</b>	<b>\$ 301,602</b>
 <b>DEDUCTIONS</b>	
Economic Development Loans Payments	19,200
<b>TOTAL DEDUCTIONS</b>	<b>\$ 19,200</b>
 <b>CHANGE IN NET ASSETS</b>	<b>\$ 282,402</b>
NET ASSETS, Beginning of Year	870,697
<b>NET ASSETS, End of Year</b>	<b>\$ 1,153,099</b>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

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

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

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

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

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

**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 assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

which the primary government is financially accountable.

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

*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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

**D. Deposits and Investments**

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

State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit 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, 2009**

**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 fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

**F. Receivables**

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

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

**G. Inventories**

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

**H. Restricted Assets**

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

**I. Capital Assets**

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

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

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, 2009**

**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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium, discount, and deferred refunding costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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, 2009**

**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 Assets/Fund Balances**

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

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

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

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At year end, the County had the following investments:

Investment Type	Fair Value
Local Government Investment Pool	\$ <u>3,613,858</u>
Total Investments	\$ <u><u>3,613,858</u></u>

Interest rate risk is the risk that a change in interest rate will cause the fair value of a government's financial instruments to drop or will negatively affect the government's cash flows. The County's investment policy does not address interest rate risk.

Credit risk is the risk that the counterparty will not meet its obligations. The County's investment policy does not address credit risk but limits its investments to obligations of the United States and its agencies, general obligations of South Carolina and its political subdivisions, savings and loan associations if their deposits are insured by an agency of the federal government, certificates of deposits insured by obligations of the United States or general obligation bonds of the State of South Carolina or its political subdivisions, and repurchase agreements when collateralized by United States obligations.

Concentration of credit risk - the County's investment policy does not address concentration of credit risk.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County's investment policy requires deposits to be insured by the federal government or its agencies or collaterally secured by the federal government or its agencies. As of June 30, 2009, the County's bank balance was \$11,299,733 and the carrying value was \$10,048,839. Of the bank balance \$11,299,733, the amount that was exposed to custodial credit risk totaled \$6,998,383. Deposits totaling \$4,868,585 were uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the County's name. The bank balance of \$2,129,795 was uninsured and collateralized with securities held by the pledging financial institution or its agent in the County's name.

Custodial credit risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, 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 investment balance of \$3,613,858 as of June 30, 2009, was not exposed to custodial credit risk as it is an asset backed security.

The deposit and investment policy of the County adheres to State statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, certificates of deposits, or repurchase agreements.

**Reconciliation of Cash and Investments to Fund Financial Statements**

Cash and Investments	
Cash and Investments	\$ 6,159,078
Restricted Cash and Investments	<u>7,507,747</u>
Total Cash and Investments	\$ <u><u>13,666,825</u></u>
Petty Cash	
Deposits Carrying Value	\$ 4,128
Investments	10,048,839
Total Cash and Investments	<u>3,613,858</u>
	\$ <u><u>13,666,825</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Component Unit Cash and Investments**

The carrying value of deposits for Williamsburg County Library totaled \$111,433, which were insured by the Federal Depositors Insurance Corporation.

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2009 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,040,052	\$ 0	\$ 1,040,052
Accounts Receivable, Net	0	103,609	103,609
Due From Others	28,515	0	28,515
Due From State Government	1,082,843	0	1,082,843
Court Fines Receivable, Net	24,325	0	24,325
Interest Receivable	0	11,055	11,055
Other Receivables	1,763,415	180,093	1,943,508
	<hr/>	<hr/>	<hr/>
Total Receivables	\$ <u>3,939,150</u>	\$ <u>294,757</u>	\$ <u>4,233,907</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$502,744. Court fines receivable are reported net of an allowance for uncollectible fines of \$176,290 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$677,715. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$7,849. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$68,780.

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 cash and investments as restricted in the amount of \$7,477,747 in the governmental funds for special fees collected to fund the closure and post-closure cost of the landfill in the amount of \$3,644,328 and \$1,136,592 received by the debt service fund to meet debt service reserve requirements and \$2,098,550 general obligation bond proceeds restricted for capital improvements for fire stations. The County has recorded cash and investments of \$598,277 as restricted for lease purchases. The restricted cash in the business-type activities is the required restriction for debt service for outstanding Rural Development Bonds.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 1,719,570	\$ 109,655	\$ 0	\$ 1,829,225
<b>Total, not being Depreciated</b>	<b>\$ 1,719,570</b>	<b>\$ 109,655</b>	<b>\$ 0</b>	<b>\$ 1,829,225</b>
<b>Capital Assets, being Depreciated:</b>				
Land Improvements	\$ 4,318,237	\$ 1,164,236	\$ 0	\$ 5,482,473
Road and Bridges	4,438,568	413,100	0	4,851,668
Buildings	6,255,614	0	0	6,255,614
Building Improvements	4,719,511	79,512	0	4,799,023
Leasehold Improvements	417,342	10,979	0	428,321
Furniture & Fixtures	1,647,356	10,459	0	1,657,815
Machinery & Equipment	2,962,717	73,136	0	3,035,853
Automotive Equipment	7,045,904	443,337	0	7,489,241
Communication Equipment	100,500	184,525	0	285,025
<b>Total, being Depreciated</b>	<b>\$ 31,905,749</b>	<b>\$ 2,379,284</b>	<b>\$ 0</b>	<b>\$ 34,285,033</b>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	\$ (1,921,317)	\$ (231,001)	\$ 0	\$ (2,152,318)
Road and Bridges	(1,293,642)	(295,469)	0	(1,589,111)
Buildings	(2,298,779)	(173,245)	0	(2,472,024)
Building Improvements	(2,346,902)	(150,861)	0	(2,497,763)
Leasehold Improvements	(213,224)	(23,508)	0	(236,732)
Furniture & Fixtures	(741,949)	(68,436)	0	(810,385)
Machinery & Equipment	(2,222,047)	(430,075)	0	(2,652,122)
Automotive Equipment	(5,270,579)	(797,706)	0	(6,068,285)
Communication Equipment	(43,156)	(17,408)	0	(60,564)
<b>Total Accumulated Depreciation</b>	<b>\$ (16,351,595)</b>	<b>\$ (2,187,709)</b>	<b>\$ 0</b>	<b>\$ (18,539,304)</b>
<b>Total, being Depreciated, Net</b>	<b>\$ 15,554,154</b>	<b>\$ 191,575</b>	<b>\$ 0</b>	<b>\$ 15,745,729</b>
<b>Total Governmental Activities, Net</b>	<b>\$ 17,273,724</b>	<b>\$ 301,230</b>	<b>\$ 0</b>	<b>\$ 17,574,954</b>

Capital Asset additions in the governmental funds totaled \$2,488,939, and the current year depreciation expense totaled \$2,187,709.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Business-Type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	<u>1,154,961</u>	<u>2,775,747</u>	<u>957,484</u>	<u>2,973,224</u>
Total, not being Depreciated	<u>\$ 1,302,961</u>	<u>\$ 2,775,747</u>	<u>\$ 957,484</u>	<u>\$ 3,121,224</u>
<b>Capital Assets, being Depreciated:</b>				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	193,726	1,005	0	194,731
Building Improvements	87,470	0	0	87,470
Water Distribution System	14,838,901	957,484	0	15,796,385
Furniture & Fixtures	315,917	0	0	315,917
Machinery & Equipment	537,366	59,467	399,670	197,163
Automotive Equipment	3,022,777	22,878	377,674	2,667,981
Communication Equipment	<u>708,923</u>	<u>0</u>	<u>0</u>	<u>708,923</u>
Total, being Depreciated	<u>\$ 19,718,524</u>	<u>\$ 1,040,834</u>	<u>\$ 777,344</u>	<u>\$ 19,982,014</u>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(155,629)	(5,642)	0	(161,271)
Building Improvements	(35,549)	(4,647)	0	(40,196)
Water Distribution System	(1,883,735)	(408,295)	0	(2,292,030)
Furniture & Fixtures	(176,422)	(19,645)	0	(196,067)
Machinery & Equipment	(455,879)	(9,730)	360,155	(105,454)
Automotive Equipment	(2,043,062)	(192,245)	407,411	(1,827,896)
Communication Equipment	<u>(160,044)</u>	<u>(47,261)</u>	<u>0</u>	<u>(207,305)</u>
Total Accumulated Depreciation	<u>\$ (4,923,764)</u>	<u>\$ (687,465)</u>	<u>\$ 767,566</u>	<u>\$ (4,843,663)</u>
Total, being Depreciated, Net	<u>\$ 14,794,760</u>	<u>\$ 353,369</u>	<u>\$ 9,778</u>	<u>\$ 15,138,351</u>
Total Business-Type Activities, Net	<u>\$ 16,097,721</u>	<u>\$ 3,129,116</u>	<u>\$ 967,262</u>	<u>\$ 18,259,575</u>

The capital asset additions of business-type activities totaled \$2,859,097 and depreciation expense in business-type activities totaled \$687,465. Assets totaling \$777,344 were disposed of during the year that had accumulated depreciation of \$767,566 resulting in a loss on disposal of \$9,778.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Construction in Progress totaling \$2,973,224 at June 30, 2009 represents funds expended on the following water and sewer improvements:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
S. Williamsburg Phase II	\$ 2,295,901	\$ 1,570,377	April 2010
Kingstree 377 Connector	570,287	220,026	January 2010
Lane Sewer Project	90,299	3,259,701	July 2010
Kingstree East	16,737	3,198,870	October 2010

Depreciation expense was charged to the following functions:

**Governmental Activities:**

General Government	\$ 120,720
Public Safety	654,575
Public Works	695,018
Health and Human Services	184,298
Economic Development	189,041
Environmental Services - Landfill	226,677
Cultural and Recreation	<u>117,380</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ <u>2,187,709</u></b>

**Business-Type Activities:**

Water & Sewer Fund	\$ 408,295
Williamsburg County Transit System	202,054
E 911 Fund	<u>77,116</u>
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ <u>687,465</u></b>

**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>(375,740)</u>	<u>(26,665)</u>	<u>0</u>	<u>(402,405)</u>
Net capital assets being depreciated	<u>\$ 133,047</u>	<u>\$ (26,665)</u>	<u>\$ 0</u>	<u>\$ 106,382</u>

Depreciation Expense was charged to the component unit as follows:

Cultural & Recreation	<u>\$ 26,665</u>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Total assets purchased under capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset Cost	\$ 4,059,779	\$ 537,734
Less: Accumulated Depreciation	<u>(2,886,779)</u>	<u>(143,396)</u>
<b>Totals</b>	<b>\$ <u>1,173,000</u></b>	<b>\$ <u>394,338</u></b>

**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, 2009, 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	\$ 1,776,920	\$ 0
Rural Fire Fund	0	4,427
Landfill Fund	0	644,256
Other Governmental Funds	50,997	220,625
Debt Service Fund	19,795	0
Williamsburg County Transit System Fund	0	38,972
E911 Fund	0	939,791
Water & Sewer	<u>359</u>	<u>0</u>
<b>Totals</b>	<b>\$ <u>1,848,071</u></b>	<b>\$ <u>1,848,071</u></b>

**NOTE 7 - CAPITAL LEASES**

The County's governmental activities have five (5) 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, 2009, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2010	\$ 945,223	\$ 52,010	\$ 997,233
2011	704,779	52,010	756,789
2012	213,437	0	213,437
2013	<u>213,437</u>	<u>0</u>	<u>213,437</u>
Total Minimum Lease Payments	\$ 2,076,876	\$ 104,020	\$ 2,180,896
Less: Amount Representing Interest	<u>(120,448)</u>	<u>(5,218)</u>	<u>(125,666)</u>
<b>Totals</b>	<b>\$ <u>1,956,428</u></b>	<b>\$ <u>98,802</u></b>	<b>\$ <u>2,055,230</u></b>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 - LONG-TERM DEBT**

Following is a summary of changes in long-term liabilities during the year ended June 30, 2009:

Governmental Activities:	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 4,140,159	\$ 2,250,000	\$ (373,493)	\$ 6,016,666	\$ 587,662
Plus Unamortized Premium	20,454	0	(1,705)	18,749	0
Bond Anticipation Notes	<u>1,585,712</u>	<u>0</u>	<u>0</u>	<u>1,585,712</u>	<u>1,585,712</u>
Total Bonds Payable	\$ 5,746,325	\$ 2,250,000	\$ (375,198)	\$ 7,621,127	\$ 2,173,374
Landfill Closure Cost	4,580,635	2,210,829	(134,992)	6,656,472	655,000
Capital Leases	2,001,684	786,210	(831,466)	1,956,428	880,466
Claims and Judgments	0	234,523	(4,659)	229,864	0
Compensated Absences	<u>467,240</u>	<u>546,020</u>	<u>(467,240)</u>	<u>546,020</u>	<u>273,010</u>
<b>Totals</b>	<b>\$ <u>12,795,884</u></b>	<b>\$ <u>6,027,582</u></b>	<b>\$ <u>(1,813,555)</u></b>	<b>\$ <u>17,009,911</u></b>	<b>\$ <u>3,981,850</u></b>
Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds Payable:</b>					
Revenue Bonds	\$ 494,437	\$ 0	\$ (6,368)	\$ 488,069	\$ 6,032
Bond Anticipation Notes	<u>0</u>	<u>2,102,000</u>	<u>0</u>	<u>2,102,000</u>	<u>13,111</u>
Total Bonds Payable	\$ 494,437	\$ 2,102,000	\$ (6,368)	\$ 2,590,069	\$ 19,143
Capital Leases	148,352	0	(49,550)	98,802	48,172
Vehicle Acquisition Plan	0	78,868	0	78,868	12,693
Claims and Judgments	0	65,784	0	65,784	0
Compensated Absences	<u>63,233</u>	<u>70,181</u>	<u>(63,233)</u>	<u>70,181</u>	<u>35,090</u>
<b>Totals</b>	<b>\$ <u>706,022</u></b>	<b>\$ <u>2,316,833</u></b>	<b>\$ <u>(119,151)</u></b>	<b>\$ <u>2,903,704</u></b>	<b>\$ <u>115,098</u></b>
Component Unit: Williamsburg County Library	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Claims and Judgments	\$ 0	\$ 5,460	\$ 0	\$ 5,460	\$ 0
Compensated Absences	<u>9,473</u>	<u>12,333</u>	<u>(9,473)</u>	<u>12,333</u>	<u>12,333</u>
<b>Totals</b>	<b>\$ <u>9,473</u></b>	<b>\$ <u>17,793</u></b>	<b>\$ <u>(9,473)</u></b>	<b>\$ <u>17,793</u></b>	<b>\$ <u>12,333</u></b>

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

Annual debt service requirements to maturity for obligations outstanding at June 30, 2009 are as follows:

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2010	3.00%	\$ 2,410,000	\$ 130,000	\$ 46,260	\$ 46,260	\$ 222,520
2011	3.00%	2,280,000	140,000	44,147	44,148	228,295
2012	3.00%	2,140,000	150,000	41,698	41,697	233,395
2013	3.25%	1,990,000	160,000	39,074	39,074	238,148
2014	3.25%	1,830,000	235,000	36,272	36,273	307,545
2015-2019	3.50%-4.00%	1,595,000	1,310,000	109,212	109,212	1,528,424
2020	4.00%-4.10%	285,000	285,000	5,842	5,842	296,684
Totals			<u>\$ 2,410,000</u>	<u>\$ 322,505</u>	<u>\$ 322,506</u>	<u>\$ 3,055,011</u>

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

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Total Annual Payments
2010	5.50%	\$ 266,666	\$ 66,665	\$ 14,800	\$ 81,465
2011	5.50%	200,001	66,665	11,100	77,765
2012	5.50%	133,336	66,665	7,400	74,065
2013	5.50%	66,671	66,671	3,703	70,374
Totals			<u>\$ 266,666</u>	<u>\$ 37,003</u>	<u>\$ 303,669</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
2010	4.400%	\$ 1,090,000	\$ 200,000	\$ 24,525	\$ 24,525	\$ 249,050
2011	4.400%	890,000	205,000	20,025	20,025	245,050
2012	4.400%	685,000	215,000	15,413	15,412	245,825
2013	4.400%	470,000	230,000	10,575	10,575	251,150
2014	4.400%	240,000	240,000	5,400	5,400	250,800
Totals			<u>\$ 1,090,000</u>	<u>\$ 75,938</u>	<u>\$ 75,937</u>	<u>\$ 1,241,875</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

Bond Anticipation Loans (Issued 06/05/09)

Maturity Date March 29, 2009

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest March 29	Total Annual Payments
2010	4.05%	\$ 1,585,712	\$ 1,585,712	\$ 54,548	\$ 1,640,260
Totals			\$ 1,585,712	\$ 54,548	\$ 1,640,260

General Obligation Bonds of 2009 (Issued 04/01/09)

Maturity April 1, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest April 1	Total Annual Payments
2010	3.59%	\$ 2,250,000	\$ 190,997	\$ 80,775	\$ 271,772
2011	3.59%	2,059,003	197,854	73,918	271,772
2012	3.59%	1,861,149	204,956	66,816	271,772
2013	3.59%	1,656,193	212,314	59,458	271,772
2014	3.59%	1,443,879	219,937	51,835	271,772
2015-2019	3.59%	1,223,942	1,223,942	134,916	1,358,858
Totals			\$ 2,250,000	\$ 467,718	\$ 2,717,718

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 2009 assessed valuation of \$87,712,500 the legal debt limit is approximately \$7,017,000. At June 30, 2009, the County has general obligation bonds outstanding of \$2,675,712 subject to the legal debt limit.

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

Maturity February 17, 2045

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2010	4.50%	\$ 453,469	\$ 5,577	\$ 20,883	\$ 26,460
2011	4.50%	447,892	5,833	20,627	26,460
2012	4.50%	442,059	6,101	20,359	26,460
2013	4.50%	435,958	6,381	20,079	26,460
2014	4.50%	429,577	6,674	19,786	26,460
2015-2019	4.50%	422,903	38,263	94,037	132,300
2020-2024	4.50%	384,640	47,897	84,403	132,300
2025-2029	4.50%	336,743	59,957	72,343	132,300
2030-2034	4.50%	276,786	75,056	57,244	132,300
2035-2039	4.50%	201,730	93,955	38,345	132,300
2040-2044	4.50%	107,775	106,129	26,171	132,300
2045	4.50%	1,646	1,646	1,664	3,310
Totals			\$ 453,469	\$ 475,941	\$ 929,410

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

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

Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2010	4.50%	\$ 34,600	\$ 455	\$ 1,573	\$ 2,028
2011	4.50%	34,145	476	1,552	2,028
2012	4.50%	33,669	498	1,530	2,028
2013	4.50%	33,171	521	1,507	2,028
2014	4.50%	32,650	544	1,484	2,028
2015-2019	4.50%	32,106	3,122	7,018	10,140
2020-2024	4.50%	28,984	3,908	6,232	10,140
2025-2029	4.50%	25,076	4,890	5,250	10,140
2030-2034	4.50%	20,186	6,122	4,018	10,140
2035-2039	4.50%	14,064	7,663	2,477	10,140
2040-2042	4.50%	6,401	6,401	1,180	7,581
Totals			<u>\$ 34,600</u>	<u>\$ 33,821</u>	<u>\$ 68,421</u>

Revenue Bonds of 2009 (Issued 12/10/08)

Maturity October 17, 2049

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2010	4.375%	\$ 2,102,000	\$ 13,111	\$ 61,142	\$ 74,253
2011	4.375%	2,088,889	20,396	90,983	111,379
2012	4.375%	2,068,493	21,306	90,073	111,379
2013	4.375%	2,047,187	22,257	89,122	111,379
2014	4.375%	2,024,930	23,251	88,128	111,379
2015-2019	4.375%	2,001,679	132,782	424,113	556,895
2020-2024	4.375%	1,868,897	165,183	391,712	556,895
2025-2029	4.375%	1,703,714	205,491	351,404	556,895
2030-2034	4.375%	1,498,223	255,636	301,259	556,895
2035-2039	4.375%	1,242,587	318,017	238,878	556,895
2040-2044	4.375%	924,570	395,622	161,273	556,895
2045-2049	4.375%	528,948	492,163	64,732	556,895
2050	4.375%	36,785	36,785	339	37,124
Totals			<u>\$ 2,102,000</u>	<u>\$ 2,353,158</u>	<u>\$ 4,455,158</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize bond anticipation notes, general obligation and revenue bonds, and capital leases, as of June 30, 2009 are as follows:

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,053,840	\$ 356,450	\$ 3,410,290	\$ 80,008	\$ 87,436	\$ 167,444
2011	1,279,311	248,350	1,526,761	143,511	114,541	258,052
2012	836,330	202,163	1,038,493	27,905	111,962	139,867
2013	875,444	169,436	1,044,880	29,159	110,708	139,867
2014	694,937	135,180	830,117	30,469	109,398	139,867
2015-2019	2,533,944	353,340	2,887,284	174,167	525,168	699,335
2020-2024	285,000	11,684	296,684	216,988	482,347	699,335
2025-2029	0	0	0	270,338	428,997	699,335
2030-2034	0	0	0	336,814	362,521	699,335
2035-2039	0	0	0	419,635	279,700	699,335
2040-2044	0	0	0	508,152	188,624	696,776
2045-2049	0	0	0	493,809	66,396	560,205
2050	0	0	0	36,784	340	37,124
<b>Totals</b>	<b>\$ <u>9,558,806</u></b>	<b>\$ <u>1,476,603</u></b>	<b>\$ <u>11,035,409</u></b>	<b>\$ <u>2,767,739</u></b>	<b>\$ <u>2,868,138</u></b>	<b>\$ <u>5,635,877</u></b>

**NOTE 9 - OPERATING LEASES**

The County was engaged in a 2-year noncancelable operating lease of an office building used for social services, which expired in November 2007 at a monthly lease payment of \$13,500. Rental expense associated with the lease for the year ended June 30, 2009 is \$162,000 and is reflected by the County as current-general government expenditures. The County is currently continuing to rent the office building used for social services in the amount of \$13,500 per month on a month-by-month basis.

**NOTE 10 - CONTINGENCIES**

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

**Litigation:** As of June 30, 2009, 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, 2009 are not determinable.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 10 - CONTINGENCIES (CONTINUED)**

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. The loan balance outstanding at June 30, 2009 was \$182,000 as the remaining approve loan has not been advanced to South Carolina Shrimp Biotech, Inc. County Council approved a loan of \$520,650 from the revolving fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2009. County Council approved a loan of \$178,539 to the Performance Fabrics and Fibers, LLC with monthly payments of \$3,794 and a maturity date of December 15, 2010. This is a no interest and no recourse loan.

**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	\$ 687,690	\$ 1,689,414
Rural Fire Fund	0	81,827
Debt Service Fund	344,163	1,028,387
Landfill Fund	340,697	27,256
Other Governmental Funds	1,028,685	235,081
Williamsburg County Transit Enterprise Fund	218,148	0
E-911 Enterprise Fund	442,582	0
Totals	<u>\$ 3,061,965</u>	<u>\$ 3,061,965</u>

**NOTE 12 - DEFERRED COMPENSATION PLAN**

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

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

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

**NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS**

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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

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

South Carolina Retirement System (SCRS): Covered general County employees participate in the SCRS, a cost-sharing, multiple-employer, defined benefit pension plan. The SCRS provides retirement and disability benefits, with cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. Member employees currently contribute 6.50% of their annual compensation. The employer contribution is 9.39% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .15%.

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

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

Police Officers Retirement System (PORS): Covered County employees (i.e. whose principal duties are the preservation of public order) are required to participate in the PORS, a cost-sharing, multiple-employer, defined benefit pension plan. The PORS provides both retirement and death benefits on an employee and employer contribution basis. Member employees currently contribute 6.5% of their annual compensation. The employer contribution is 11.05% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .20% and the entire cost of accidental death for covered employees at the rate of .20%. As a member of the PORS an employee can elect to retire after reaching age 55 with at least five years of credited service, or 25 years of service credit regardless of age. Another option available is when an employee has completed five years of credited service prior to age 55, they can retire yet defer their retirement allowance until they reach age 55. Other benefits include disability coverage after five years membership (immediate coverage if job related), group life insurance coverage after one year of credited service (immediate coverage if job related), accidental death program allowing a monthly pension equal to 50% of the member's budgeted compensation at the time of death, and vesting rights after five years membership. Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

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

For fiscal year ended June 30, 2009:

Primary Government	Payroll		Contributions	
	Covered	Employee	Employer	Total
SCRS	\$ 6,533,991	\$ 424,149	\$ 613,542	\$ 1,037,691
PORS	2,451,202	159,328	270,858	430,186
Totals	<u>\$ 8,985,193</u>	<u>\$ 583,477</u>	<u>\$ 884,400</u>	<u>\$ 1,467,877</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Component Unit	Payroll Covered	Contributions		
		Employee	Employer	Total
SCRS	\$ 191,128	\$ 12,423	\$ 17,948	\$ 30,371
Totals	<u>\$ 191,128</u>	<u>\$ 12,423</u>	<u>\$ 17,948</u>	<u>\$ 30,371</u>

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

SCRS 6.50% of Salary

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

SCRS Local Government 9.24%

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

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

Three Year Trend Information:

Primary Government Fiscal Year Ended	SCRS Annual Employer Contribution	PORS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/09	\$613,542	\$270,858	100%
06/30/08	\$594,383	\$257,057	100%
06/30/07	\$447,244	\$228,475	100%

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/09	\$17,948	100%
06/30/08	\$13,612	100%
06/30/07	\$13,757	100%

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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

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

**NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL**

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

State and federal laws and regulations require that Williamsburg County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$5,593,406 as of June 30, 2009 which is based on 94.93% usage of the old landfill.

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. Accordingly a prior period adjustment of \$868,868 has been recorded for the estimated liability for closure cost at the beginning of the year. The current addition of \$196,198 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 \$1,063,066 has been recorded as a liability which represents 79.5% usage of the landfill expansion.

	Beginning Balance			Ending Balance
Estimated Liability for Closure & Post Closure Landfill	(As Restated)	Additions	Retirements	
	\$ 3,713,767	\$ 2,014,631	\$ (134,992)	\$ 5,593,406
C&D Landfill	<u>866,868</u>	<u>196,198</u>	<u>0</u>	<u>1,063,066</u>
<b>Totals</b>	<u>\$ 4,580,635</u>	<u>\$ 2,210,829</u>	<u>\$ (134,992)</u>	<u>\$ 6,656,472</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.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 15 - DEFERRED REVENUE**

Deferred revenue in the general fund represents current year taxes which do not meet the availability criteria for recognition of \$391,950 and deferred court fines of \$965, and deferred ambulance fees of \$191,697.

Deferred revenue in the landfill special revenue funds represents current year taxes which do not meet the availability criteria for revenue recognition of \$102,149.

Deferred revenue in the debt service fund of \$110,840 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 \$61,247.

**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, 2009:

	Water & Sewer Fund	Williamsburg County Transit System	E-911 Fund
Operating Revenues	\$ 1,240,377	\$ 1,027,130	\$ 247,327
Depreciation	408,295	202,054	77,116
Operating Income (Loss)	183,741	(1,201,524)	(750,441)
Interfund Transfers	0	218,148	442,582
Non-Operating Revenues (Expenses)	(37,504)	699,768	(5,766)
Net Income (Loss)	146,327	(283,608)	(313,625)
Property, Plant and Equipment			
Net Additions	2,367,452	(168,553)	(37,045)
Net Working Capital	155,995	1,862,624	(870,718)
Total Assets	16,914,853	2,911,240	849,901
Bonds and Other Long-Term Liabilities Payable			
from Revenues	2,591,371	0	98,802
Total Net Assets	14,181,346	2,670,176	(232,652)

**NOTE 17 - RISK MANAGEMENT**

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

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 17 - RISK MANAGEMENT (CONTINUED)**

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

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

**NOTE 18 - RELATED PARTY TRANSACTIONS**

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

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

**NOTE 19 - FUND BALANCE RESERVATIONS AND DESIGNATIONS**

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

Reserve for Debt Service - an account used to restrict the fund balance of funds collected for the repayment of debts.

Reserve for Closure Costs - 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.

Reserve for Special Projects - an account used to segregate a portion of fund balance to indicate funds collected in these funds are restricted for specific purposes.

Reserve for 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.

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

The following net assets have been restricted as a result of enabling legislation in the government-wide statements:

Victim's Services	\$	19,145
Clerk of Court IVD Incentive		774
Sheriff Special Narcotics		6,579

**NOTE 20 - SUBSEQUENT EVENTS**

On August 14, 2009, Williamsburg County obtained a Tax Anticipation note in the amount of \$1,500,000 at an interest rate of 2.34% which matures on April 15, 2010.

On October 20, 2009, Williamsburg County obtained a lease purchase agreement in the amount of \$415,000.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 20 - SUBSEQUENT EVENTS (CONTINUED)**

On December 4, 2009, Williamsburg County issued the South Williamsburg Project Series 2009A Revenue Bonds in the amount of \$2,102,000.

**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, 2008, the measurement date, there were 56 covered participants, 1 retired participant, and 55 active participants. The County prospectively implemented GASB Statement No. 45 during the period to account for its annual post employment benefit cost. A stand alone financial report is not available.

**Funding Policy**

As of June 30, 2009, the County has not funded contributions to an irrevocable trust. In fiscal year 2009, the County contributed, County retirees contributed \$75 on a monthly basis for single health care and \$165.50 per month for employee/spouse. Retirees contributed \$7.50 for single dental coverage and \$16 per month for employee/spouse. The County contributed the remaining premium of \$3,546. Total retiree contributions were \$1,113.

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 2009, the County's implementation year for GASB Statement No. 45, the annual OPEB cost (expense) of \$300,307 for the plan was equal to the ARC. The following table shows the components of the County's annual OPEB cost for 2009.

Normal Cost	\$	52,136
20 Year Amortization of Unfunded Accrued Liability		248,171
Total Annual Required ARC	\$	300,307

Contribution as a percentage of Expected Payroll - 3%

Contributions made included \$3,546 by the County and \$1,113 by retirees through payment of covered participant benefits.

The County's annual OPEB cost, the cost contributed to the plan and the net OPEB (obligation) for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/09	\$ <u>300,307</u>	<u>1.5%</u>	\$ <u>(295,648)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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

As of July 1, 2008, the most recent valuation date, the plan was not funded. The County implemented GASB Statement No. 45 in fiscal year ended June 30, 2009. The actuarial accrued liability for benefits was \$2,898,246, with no plan assets resulting in an unfunded accrued liability for benefits of \$2,898,246. The covered payroll (annual payroll of active employees covered by the plan) was \$1,883,275, and the ratio of the UAAL to the covered payroll was 65%.

**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 July 1, 2008, valuation. The actuarial assumptions included a 6% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 10%. The trend rate will decrease in 0.5% steps until it reaches 5% 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, 2009 was 19 years.

**Discretely Presented Component Unit**

**Plan Description**

Williamsburg County Library participates in Williamsburg County's Single employer defined benefit health care plan (the Plan).

**Funding Policy**

The plan will be funded by making contributions into an irrevocable employee benefit trust in the amount at least equal to the annual required contribution (ARC). As of June 30, 2009, no contributions have been made to the employee benefit trust fund.

For 2009, the Library's implementation year for GASB Statement No. 45 the annual OPEB cost (expense) of \$5,460 for the plan was equal to the ARC and \$5,460 more than the amount actually contributed. The following table shows the components of the Library's annual OPEB cost for 2009.

Normal Cost	\$	948
20 Year Amortization of Unfunded Accrued Liability		4,512
Total Annual Required Contribution	\$	5,460

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB (obligation) liability for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/09	\$ <u>5,460</u>	<u>0</u>	\$ <u>5,460</u>

As of July 1, 2008, the most recent valuation date, the plan was not funded. The covered payroll was \$21,257. The ratio of the unfunded actual accrued liabilities to covered payroll could not be determined because a separate valuation report was not prepared for the Library.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$17,574,954 are as follows:

Capital Assets	\$	36,114,258
Accumulated Depreciation		(18,539,304)
		(18,539,304)
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	\$	17,574,954

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 \$858,849 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$	666,186
Ambulance fees deferred in Governmental Fund Statement		191,698
Court Fines deferred in Governmental Fund Statement		965
		965
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	\$	858,849

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 (\$17,126,554) are as follows:

Bonds Payable	\$	(7,602,378)
Less: Deferred charge for issuance cost (to be amortized over life of debt)		146,284
Plus: Issuance premium (to be amortized as interest expense)		(18,749)
Accrued Interest Payable		(262,927)
Capital Leases Payable		(1,956,428)
Municipal Solid Waste Landfill Closure postclosure cost accrual		(6,656,472)
Post Employment Benefits Payable		(229,864)
Compensated Absences		(546,020)
		(546,020)
Net adjustment to decrease fund balance - total governmental funds to arrive at net assets - governmental activities	\$	(17,126,554)

- 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, 2009**

**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 assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$301,230) are as follows:

Capital Outlay	\$ 2,488,939
Depreciation Expense	<u>(2,187,709)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 301,230</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:

Police Fines	\$ (33,167)
Ambulance Fees	109,200
Property Taxes	<u>(86,332)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (10,299)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this (\$2,016,611) are as follows:

Debt issued or incurred:	
General Obligation Bond Proceeds	\$ (2,250,000)
Lease Purchase Obligation Proceeds	(786,210)
Debt Issuance Costs	44,504
Post Employment Benefits	(234,523)
Principal repayments:	
General obligation debt	373,493
Post Employment Benefits Payments	4,659
Capital lease	<u>831,466</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,016,611)</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this (\$2,341,934) are as follows:

Compensated absences	\$	(78,780)
Accrued Interest		(157,037)
Municipal Solid Waste Closure Postclosure Cost Accrual		(2,210,829)
Amortization of issuance costs		(31,985)
Amortization of bond premium		1,705
Municipal Solid Waste Closure Costs		<u>134,992</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(2,341,934)</u></u>

**NOTE 23 - RESTATEMENT OF PRIOR YEAR FUND EQUITIES**

The County has made a prior year adjustment to reflect funding changes by the South Carolina Department of Transportation and to correct a prior year asset value.

		<u>Business-Type Activities</u>
Net Assets, Business-Type Activities, as originally reported	\$	17,146,083
Prior Period Adjustment (record vehicle acquisition plan liability recognized as revenue in prior year per SC Dept. of Transportation change in funding)		(78,868)
Prior Period Adjustment (outstanding checks determined to have been duplicated)		<u>2,651</u>
Net Assets, Business-Type Activities, as restated	\$	<u><u>17,069,866</u></u>
		<u>Governmental Activities</u>
Net Assets, Business-Type Activities, as originally reported	\$	15,967,195
Prior Period Adjustment (record estimated liability for closure of the C&D landfill per new requirements for C&D Landfills)		<u>(866,868)</u>
Net Assets, Governmental Activities, as restated	\$	<u><u>15,100,327</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 24 - ECONOMIC DEPENDENCY**

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Martek	Bioscience Industry	6,499,859
Santee Electric	Electric Utility	4,281,220
DART Industries	Manufacturer	2,693,603
Carolina Power & Light	Electric Utility	2,305,660
CSV Transportation, Inc.	Railroad	1,344,656

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
WILLIAMSBURG COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISION SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Taxes	\$ 11,415,314	\$ 10,949,688	\$ 10,943,889	\$ (5,799)
Fees, Licenses, & Permits	116,800	86,761	86,761	0
Fines & Forfeitures	614,000	575,719	575,719	0
Charges for Services	919,000	810,998	810,998	0
Intergovernmental Revenue	3,036,016	2,893,209	2,893,209	0
Other Revenues	504,062	547,464	547,461	(3)
<b>TOTAL REVENUE</b>	<b>\$ 16,605,192</b>	<b>\$ 15,863,839</b>	<b>\$ 15,858,037</b>	<b>\$ (5,802)</b>
<b>EXPENDITURES</b>				
County Council	208,455	214,548	211,474	3,074
Supervisor's Office	474,983	517,912	511,110	6,802
Council Discretionary	48,000	39,928	39,572	356
County Attorney	66,783	92,953	92,953	0
Treasurer	221,878	227,348	227,260	88
Building & Grounds	573,532	612,582	609,707	2,875
Community Buildings	104,750	115,580	115,187	393
Health Department	95,200	84,808	80,286	4,522
Auditor	178,850	180,383	170,162	10,221
Tax Assessor	440,933	413,571	384,187	29,384
Tax Collector	162,847	115,277	111,748	3,529
Probate Judge	220,195	233,387	232,479	908
Clerk of Court	714,776	759,230	757,215	2,015
Magistrate	277,141	329,391	325,418	3,973
Hemingway Magistrate	41,346	45,436	44,943	493
Other Magistrates	224,346	212,162	212,160	2
Coroner	100,073	99,995	93,164	6,831
Disaster Preparedness	55,922	80,674	79,207	1,467
Veterans Affairs Office	70,085	70,229	68,348	1,881
Department of Social Services	76,894	76,658	71,866	4,792
Aeronautics Commission	15,175	14,863	11,980	2,883
Development Board	160,489	159,608	146,127	13,481
Voter Registration	83,445	98,119	93,964	4,155
General Election Expenses	81,676	88,704	85,230	3,474
Solid Waste Disposal	258,395	326,774	328,033	(1,259)
Grant Administration	58,038	58,916	58,915	1
Tax Forms & Printing	56,910	23,778	23,059	719
Employee Benefits	2,052,110	1,865,565	1,849,794	15,771
Other Expenses	1,026,840	923,094	778,242	144,852
Summer Intern Program	43,584	44,161	38,681	5,480
Circuit Court Judge	2,025	3,319	2,806	513
Building Code Enforcement	117,908	131,083	129,902	1,181
Public Defender	31,808	31,999	31,989	10
Victim Advocates	44,609	43,669	42,527	1,142

**REQUIRED SUPPLEMENTARY INFORMATION  
WILLIAMSBURG COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

EXPENDITURES (CONTINUED)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Sheriff	\$ 1,910,342	\$ 2,308,540	\$ 2,222,547	\$ 85,993
Detention Center	1,452,725	1,633,779	1,622,471	11,308
Parole & Corrections	625	625	164	461
Solicitor's Office	69,000	69,000	69,000	0
Emergency Medical Services	1,253,894	1,489,414	1,466,242	23,172
Environmental Services	216,741	238,760	234,966	3,794
Social Service Agencies	97,421	97,421	97,421	0
Agencies	413,746	415,446	413,746	1,700
Senior Citizens	115,800	115,800	115,800	0
Recreation Department	462,445	533,976	520,248	13,728
Recycling Centers	520,518	550,635	549,778	857
Contingencies	0	0	0	0
Debt Service	32,000	17,277	17,225	52
Bond Issuance Costs	0	7,504	7,504	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,935,258</b>	<b>\$ 15,813,881</b>	<b>\$ 15,396,807</b>	<b>\$ 417,074</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,669,934</b>	<b>\$ 49,958</b>	<b>\$ 461,230</b>	<b>\$ 411,272</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	(1,669,934)	(710,112)	(1,001,724)	(291,612)
Fund Balance Reservation	0	(126,056)	0	126,056
Lease Purchase Proceeds	0	786,210	786,210	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (1,669,934)</b>	<b>\$ (49,958)</b>	<b>\$ (215,514)</b>	<b>\$ (165,556)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 245,716</b>	<b>\$ 245,716</b>
FUND BALANCE, Beginning of Year			4,318,510	
FUND BALANCE, End of Year			\$ 4,564,226	

**REQUIRED SUPPLEMENTARY INFORMATION  
WILLIAMSBURG COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
LANDFILL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Fees, Licenses & Permits	\$ 505,000	\$ 514,076	\$ 514,076	\$ 0
Charges for Services	330,000	328,081	237,145	(90,936)
Other Revenues	154,900	49,068	49,068	0
<b>TOTAL REVENUES</b>	<b>\$ 989,900</b>	<b>\$ 891,225</b>	<b>\$ 800,289</b>	<b>\$ (90,936)</b>
<b>EXPENDITURES</b>				
Environmental Services	962,644	1,225,130	1,619,044	(393,914)
<b>TOTAL EXPENDITURES</b>	<b>\$ 962,644</b>	<b>\$ 1,225,130</b>	<b>\$ 1,619,044</b>	<b>\$ (393,914)</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>\$ 27,256</b>	<b>\$ (333,905)</b>	<b>\$ (818,755)</b>	<b>\$ (484,850)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	0	361,161	340,697	(20,464)
Transfers (Out)	(27,256)	(27,256)	(27,256)	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (27,256)</b>	<b>\$ 333,905</b>	<b>\$ 313,441</b>	<b>\$ (20,464)</b>
<b>EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (505,314)</b>	<b>\$ (505,314)</b>
FUND BALANCE, Beginning of Year			3,586,500	
FUND BALANCE, End of Year			\$ 3,081,186	

**REQUIRED SUPPLEMENTARY INFORMATION  
WILLIAMSBURG COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
RURAL FIRE FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Taxes	\$ 830,760	\$ 843,593	\$ 843,593	\$ 0
Other Revenues	15,400	1,030	1,030	0
<b>TOTAL REVENUES</b>	<b>\$ 846,160</b>	<b>\$ 844,623</b>	<b>\$ 844,623</b>	<b>\$ 0</b>
<b>EXPENDITURES</b>				
Public Safety	760,995	2,986,007	761,798	2,224,209
Bond Issuance Costs	0	25,000	25,000	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 760,995</b>	<b>\$ 3,011,007</b>	<b>\$ 786,798</b>	<b>\$ 2,224,209</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>\$ 85,165</b>	<b>\$ (2,166,384)</b>	<b>\$ 57,825</b>	<b>\$ 2,224,209</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
General Obligation Bonds	0	2,251,549	2,250,000	(1,549)
Transfers (Out)	(85,165)	(85,165)	(81,827)	3,338
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (85,165)</b>	<b>\$ 2,166,384</b>	<b>\$ 2,168,173</b>	<b>\$ 1,789</b>
<b>EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,225,998</b>	<b>\$ 2,225,998</b>
FUND BALANCE, Beginning of Year			42,248	
FUND BALANCE, End of Year			<u>\$ 2,268,246</u>	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The budgetary calendar is as follows:

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

March 17 - All packets returned to Budget Director.

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

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

June 30 - Budget is legally adopted by ordinance.

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

**NOTE 2 - BUDGETED APPROPRIATIONS EXCEEDED**

The County's actual expenditures in the Landfill Fund exceeded the budgeted expenditures by \$393,914.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -  
OTHER POSTEMPLOYMENT BENEFITS -  
DEFINED BENEFIT HEALTH CARE PLAN  
YEAR ENDED JUNE 30, 2009**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<b>Primary Government</b>						
7/1/2008	\$ 0	\$ 2,898,246	\$ 2,898,246	0%	\$ 1,883,275	65%
<b>Component Unit</b>						
7/1/2008	\$ 0	\$ See A Below	\$ See A Below	0%	\$ 21,257	See A Below

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the County has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percent Funded
<b>Primary Government</b>			
2009	\$ 300,307	\$ 4,659	2%
<b>Component Unit</b>			
2009	\$ 5,460	0	0%

A. Williamsburg County Library's portion of the actuarial accrued liability and unfunded actuarial accrued liability can not be separately identified because a separate valuation report was unavailable.

**SUPPLEMENTAL INFORMATION**

WILLIAMSBURG COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2009

SPECIAL REVENUE FUNDS

ASSETS	SPECIAL REVENUE FUNDS				TOTAL
	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	
Cash		616 \$	82,143 \$	10,243 \$	40,083 \$
Other Receivables	130,985 \$				59,553
Due From Other Funds	620,037	73,390	213,243	0	966,223
Inventory	0	50,997	0	0	50,997
	0	43,395	0	0	43,395
<b>TOTAL ASSETS</b>	<b>751,022 \$</b>	<b>168,398 \$</b>	<b>295,386 \$</b>	<b>10,243 \$</b>	<b>99,636 \$</b>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable		66,536	0	0	5,072	602,005
Due to Other Funds	530,397					220,625
Accrued Wages & Benefits Payable	220,625	0	0	0	0	
	0	0	0	0	11,849	11,849
<b>TOTAL LIABILITIES</b>	<b>751,022 \$</b>	<b>66,536 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>16,921 \$</b>	<b>834,479</b>

FUND BALANCE

Reserved for Inventory		43,395	0	0	0	43,395
Reserved for Special Projects	0	0	295,386	0	0	295,386
Unreserved	0	58,467	0	10,243	82,715	151,425
<b>TOTAL FUND BALANCE</b>	<b>0 \$</b>	<b>101,862 \$</b>	<b>295,386 \$</b>	<b>10,243 \$</b>	<b>82,715 \$</b>	<b>490,206</b>

TOTAL LIABILITIES AND FUND BALANCE

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>751,022 \$</b>	<b>168,398 \$</b>	<b>295,386 \$</b>	<b>10,243 \$</b>	<b>99,636 \$</b>	<b>1,324,685</b>
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**WILLIAMSBURG COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	SPECIAL REVENUE FUNDS					WILLIAMSBURG COUNTY ALCOHOL & DRUG ABUSE FUND	TOTAL
	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	ABUSE FUND		
<b>REVENUES</b>							
Taxes	\$ 0	\$ 0	\$ 461,042	\$ 0	\$ 0	\$ 0	\$ 461,042
Fees, Licenses & Permits	0	433,375	0	0	60,473	60,473	493,848
Intergovernmental Revenue	2,436,993	0	0	0	312,210	312,210	2,749,203
Miscellaneous Revenues	0	159	946	20,064	170,382	170,382	191,551
<b>TOTAL REVENUES</b>	<b>\$ 2,436,993</b>	<b>\$ 433,534</b>	<b>\$ 461,988</b>	<b>\$ 20,064</b>	<b>\$ 543,065</b>	<b>\$ 3,895,644</b>	
<b>EXPENDITURES</b>							
Current:							
General Government	30,975	0	0	0	0	0	30,975
Public Works	60,000	942,384	0	0	0	0	1,002,384
Public Safety	53,507	0	0	17,692	0	0	71,199
Cultural & Recreation	20,727	0	0	0	0	0	20,727
Health and Human Services	210,864	0	0	0	644,284	644,284	855,148
Environmental Services	49,529	0	0	0	0	0	49,529
Economic Development	473,492	0	435,038	0	0	0	908,530
Capital Outlay	413,100	43,076	0	0	0	0	456,176
Public Works	1,129,236	0	0	0	0	0	1,129,236
Economic Development	49,447	0	0	0	0	0	49,447
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,490,877</b>	<b>\$ 985,460</b>	<b>\$ 435,038</b>	<b>\$ 17,692</b>	<b>\$ 644,284</b>	<b>\$ 4,573,351</b>	
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>(53,884)</b>	<b>(551,926)</b>	<b>26,950</b>	<b>2,372</b>	<b>(101,219)</b>	<b>(677,707)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers (Out)	0	(235,081)	0	0	0	0	(235,081)
Transfers In	3,163	898,865	0	0	126,657	126,657	1,028,685
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 3,163</b>	<b>\$ 663,784</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 126,657</b>	<b>\$ 793,604</b>	
<b>EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ (50,721)</b>	<b>\$ 111,858</b>	<b>\$ 26,950</b>	<b>\$ 2,372</b>	<b>\$ 25,438</b>	<b>\$ 115,897</b>	
FUND BALANCE, Beginning of Year	50,721	(9,996)	268,436	7,871	57,277	374,309	
<b>FUND BALANCE, End of Year</b>	<b>\$ 0</b>	<b>\$ 101,862</b>	<b>\$ 295,386</b>	<b>\$ 10,243</b>	<b>\$ 82,715</b>	<b>\$ 490,206</b>	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2009**

**FINES AND FEES STATE PORTION**

Public Defender Application Fees	\$	1,640
Body Piercing		80
Marriage License Fee		3,900
Circuit/Family Court Motion Fees		15,576
Family/Alimony/Child Support Fees		81,958
Circuit/Family Court Fines & Fees		6,479
Circuit/Family Court Filing Fees		35,070
Circuit/Family Court Filing Fees Increase \$50		31,450
Magistrate Filing Assessment Civil - \$25		10,825
Magistrage Filing Assessment Civil - \$10		6,720
Total State Portion Fines & Fees	\$	<u>193,698</u>

**DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT**

General Sessions DUS DPS Pullout - \$100		672
General Sessions DUI Assessment - \$12 Per Case		136
Magistrates' Court DUS DPS Pullout		7,678
Magistrates' DUI Assessment		578
General Sessions DUI Surcharge - \$100		1,133
General Sessions DUI DPS Pullout - \$100		1,133
Magistrates' Court DUI Surcharge		4,734
Magistrates' Court DUI DPS Pullout		4,734
DUI/DUAC Breathalyzer Test Conviction Fee - \$25		50
Total DUI Assessments State Portion	\$	<u>20,848</u>

**SURCHARGES STATE PORTION**

General Sessions Court Drug Surcharge		2,196
Magistrates' Court Drug Surcharge		4,051
General Sessions Law Enforcement Surcharge		2,234
Magistrates' Court Law Enforcement Surcharges		81,719
Magistrates Criminal Justice Academy \$5 Surcharge		15,330
	\$	<u>105,530</u>

**OTHER ASSESSMENTS STATE PORTION**

General Sessions Court		3,433
Magistrates' Court		220,060
Total Other Assessments State Portion	\$	<u>223,493</u>

**VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION**

General Sessions Court		1,880
Magistrates' Court		27,754
Total Assessments County Portion	\$	<u>29,634</u>

**SURCHARGES COUNTY PORTION**

General Sessions Court		7,126
Magistrates' Court		24,474
Total Surcharges County Portion	\$	<u>31,600</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>FEDERAL CFDA NUMBER</b>	<b>PASS THROUGH GRANTOR/AGENCY NUMBER</b>	<b>EXPENDITURES</b>
<b>HEALTH AND HUMAN SERVICES</b>			
Passed Through State of S.C. Department of Alcohol & Drug Abuse			
Alcohol & Drug Abuse Grants	93.959	N/A	\$ 168,652
<b>HOUSING AND URBAN DEVELOPMENT</b>			
Passed Through S.C. Department of Commerce			
Sandridge/Kingstree Easet Bridge Project	14.228	4-CI-06-012	12,693
<b>HOMELAND SECURITY</b>			
Assistance to Fire Fighters	97.044	EMW-2007-FO-06483	15,667
Passed Through SLED			
LEMPG	97.042	6EMPG01	14,619
LEMPG	97.042	7EMPG02	30,269
LEMPG	97.042	8EMPG01	4,739
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed Through S.C. Department of Aeronautics			
Airport Improvement Program	20.106	3-45-0033-010-2008	1,062,725
Airport Improvement Program	20.106	3-45-0033-009-2007	6,524
Passed Through State of S.C. Department of Transportation			
Rural Transportation	20.509	MT-91011-58	502,337
<b>DEPARTMENT OF JUSTICE</b>			
Computer Enhancement Project	16.738	2007-DJ-BX-1387	14,566
2006 BJA Congressionally Mandated Grant	16.580	2006-DD-BX-0312	47,168
2006 Edward Byrnes Memorial Justice Grant	16.738	2006-DJ-BX-1091	12,000
DOJ Cops Grant	16.710	2008-CK-WY-0841	3,000
<b>SMALL BUSINESS ADMINISTRATION</b>			
W. C. Small Business Administration	59.000	SBA-HQ-08-1-0021	282,000

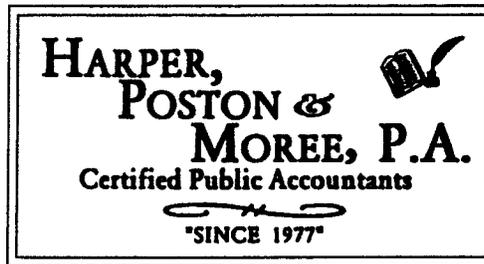
**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<b>FEDERAL CFDA NUMBER</b>	<b>PASS THROUGH GRANTOR/AGENCY NUMBER</b>	<b>EXPENDITURES</b>
<b>DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT</b>			
Passed Through State of S.C. Summer Feeding Program	10.559	SF-110	<u>156,789</u>
<b>TOTALS</b>			<b>\$ <u>2,333,748</u></b>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

**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.



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

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

We have audited the financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 9, 2010. As described in Note 21 to the financial statements, the County adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits other than Pensions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Williamsburg County Alcohol & Drug Abuse Commission's special revenue fund, as described in our report on Williamsburg County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Williamsburg County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Williamsburg County's financial statements that is more than inconsequential will not be prevented or detected by Williamsburg County's internal control. We consider the deficiencies 2009-B1 and 2009-B2 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Williamsburg County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance that is required to be reported under *Government Auditing Standards*, which did not disclose any.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Williamsburg County, in a separate letter dated February 9, 2010.

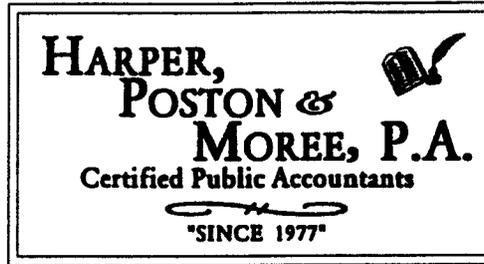
Williamsburg County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the response and, accordingly, we express no opinion on it.

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

*Harper, Poston & Moree, P.A.*

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

Georgetown, South Carolina  
February 9, 2010



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Williamsburg County, South Carolina with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2009. Williamsburg County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Williamsburg County's management. Our responsibility is to express an opinion on the Williamsburg County's compliance based on our audit.

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

In our opinion, Williamsburg County, South Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

## Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

*Harper, Poston & Moree, P.A.*

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

Georgetown, South Carolina  
February 9, 2010

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**A - SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. Two significant deficiencies were disclosed during the audit of the basic financial statements, of which none were considered material weaknesses, as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instance of non-compliance was disclosed during the audit of the financial statements.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Williamsburg County expresses an unqualified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
Airport Improvement Project	20.106
Rural Transportation Grant	20.509

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**

**Significant Deficiencies:**

**Finding 2009-B1: Financial statement and note disclosure preparation**

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

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

Cause: Lack of trained personnel.

Effect: Significant Deficiency in internal controls.

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

Management Response: Management concurs with this recommendation

**WILLIAMSBURG COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**B - FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**Finding 2009-B2: Grants Administration Procurement Procedures**

**Condition:** Our audit disclosed that purchase orders were dated subsequent to invoice dates. The purchase had been properly awarded on a competitive bid, but the purchase order was not approved until the invoice was received.

**Criteria:** Internal controls require that purchase orders be approved as authorization for purchases.

**Cause:** Human error.

**Effect:** Internal controls over procurement were weakened.

**Recommendation:** We recommend that purchase orders be approved when competitive bids are awarded to avoid oversight.

**Management Response:** Management concurs with this recommendation.

**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, 2009**

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.