

County of Georgetown
South Carolina



**Audited Basic Financial Statements
and Supplementary Information**

For the Year Ended June 30, 2011

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2011

COUNTY OF GEORGETOWN, SOUTH CAROLINA

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2011**

Table of Contents

	Page
Introductory Section:	
List of Principal County Officials.....	1
Financial Section:	
Independent Auditors' Report	3-4
Management Discussion and Analysis.....	5-15
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds.....	29
Statement of Cash Flows - Proprietary Funds	30-31
Statement of Fiduciary Net Assets - Fiduciary Funds	32
Notes to Financial Statements.....	33-54

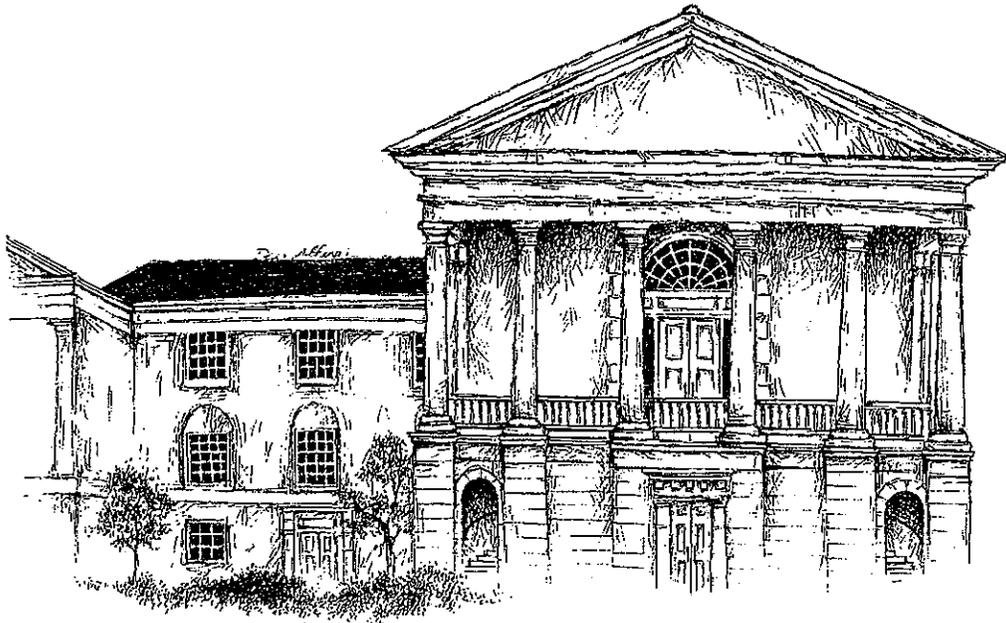
COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Audited Basic Financial Statements and Supplementary Information
For the Year Ended June 30, 2011**

Table of Contents

	Page
Financial Section (continued):	
Required Supplementary Information:	
Schedule of Funding Progress – Post-Employment Healthcare Plan	56
Budgetary Comparison Schedule - General Fund	57-68
Budgetary Comparison Schedule - Law Enforcement Fund	69-71
Notes to Required Supplementary Information	72
Other Supplementary Information:	
Combining Nonmajor Governmental Fund Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	79-86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	87-94
Schedule of Fines, Assessments, and Surcharges:	
Schedule of Fines, Assessments, and Surcharges	96-97
Single Audit Section:	
Schedule of Expenditures of Federal Awards	99-102
Notes to Schedule of Expenditures of Federal Awards	103
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	105-106
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	107-108
Schedule of Findings and Questioned Costs	109-111
Summary Schedule of Prior Year Audit Findings	112

INTRODUCTORY SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

List of Principal County Officials

June 30, 2011

Members of County Council

Jerry M. Oakley, <i>Vice Chairman</i>	District 1
Ron L. Charlton	District 2
Leona Myers-Miller	District 3
Lillie Jean Johnson	District 4
J. Austin Beard	District 5
Bob Anderson	District 6
Johnny Morant, <i>Chairman</i>	District 7

Elected Officials

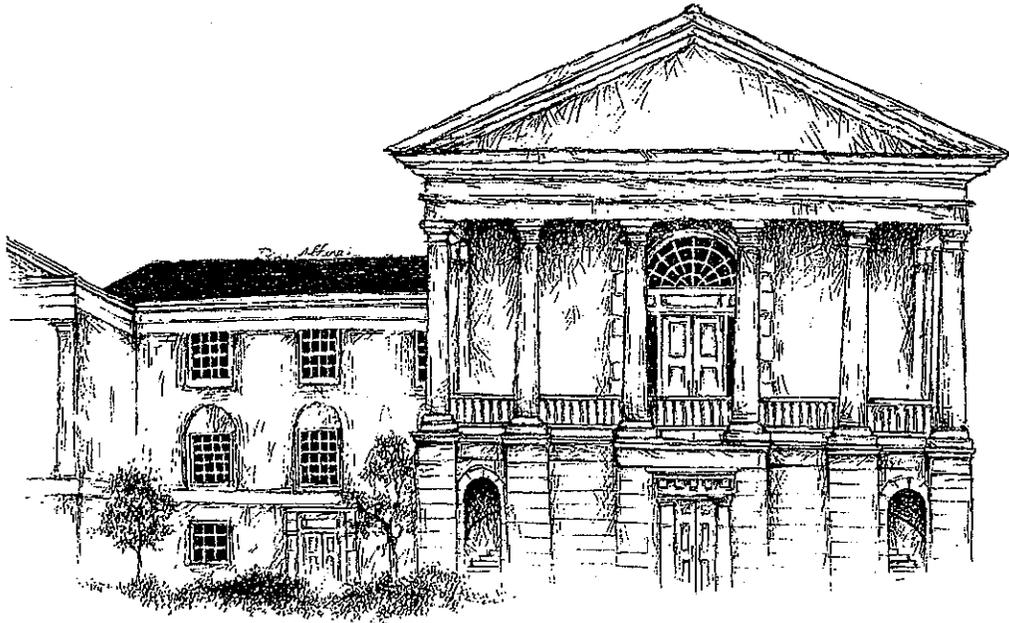
Loretta D. Washington	Treasurer
Linda S. Mock	Auditor
Alma White	Clerk of Court
Kenneth M. Johnson	Coroner
Waldo A. Maring	Probate Judge
A. Lane Cribb	Sheriff

Administrative Officials

Sel Hemingway	County Administrator
Scott C. Proctor	Finance Director
Gregory L. Troutman	Administrative Services Director
Leslie K. Thomas	Information Technology Director
Wayne E. Gregory	Economic Development Director
L. Boyd Johnson	Planning & Code Enforcement Director
<i>Vacant</i>	Emergency Services Director
Ray C. Funnye	Public Services Director
Dwight E. McInvaill	Library System Director
Wesley P. Bryant	County Attorney

This page is intentionally left blank.

FINANCIAL SECTION



Georgetown County
Georgetown, SC

INDEPENDENT AUDITORS' REPORT

To the County Council
Georgetown County, South Carolina
Georgetown, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown County, South Carolina, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Georgetown County, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 provides a reasonable basis for our opinions.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and post-employment healthcare information on pages 5 through 15, 57 through 71 and page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2011, on our consideration of Georgetown County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Georgetown County, South Carolina's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2011

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2011

Management of the County of Georgetown, South Carolina, offers readers of the County's financial statements this narrative overview and analysis of the financial activities and conditions of the County for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- **Revenues** of the County totaled approximately \$65.7 million and **expenses** amounted to approximately \$60.1 million, resulting in an increase to **net assets** of approximately \$5.6 million, or about 5.1%, for the fiscal year.
- **Unrestricted net assets** totaled approximately \$17.6 million at year-end. This is the excess of the County's assets over its liabilities that may be used to meet ongoing obligations to citizens and creditors.
- The County increased its net **investment in capital assets** by roughly \$6.7 million during the current year bringing the total book value of capital assets at year-end to approximately \$113.8 million.
- Total **outstanding debt** of the County decreased by approximately \$2.6 million, bringing the total outstanding debt at year-end to approximately \$74.5 million.
- At the close of the fiscal year, the County's governmental funds reported combined **fund balances** of approximately \$72.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements 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 information in addition to the basic financial statements themselves.

- **Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental 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*). The governmental activities of the County include general government, public safety, public works, health & welfare, economic development, and culture & recreation functions. The business-type activities of the County include environmental services and stormwater management functions.

The government-wide financial statements can be found on pages 18 and 19 of this report.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the County's basic services are accounted for in various governmental funds. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* in the fund financial statements with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, 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 statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and for each of the other "major" governmental funds. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental funds financial statements can be found on pages 20-27 of this report.

Proprietary funds. The County maintains only one type of proprietary fund – the enterprise fund type. An *Enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for the environmental services and stormwater drainage funds which are considered to be a major enterprise funds of the County.

The basic proprietary funds financial statements can be found on pages 28-32 of this report.

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 the County's own programs.

The basic fiduciary fund financial statement can be found on page 32 of this report.

- **Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 33-54 of this report.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other information. In addition to the basic financial statements and accompanying notes, a schedule has been presented which reports the funding progress of the County's post-employment healthcare plan. Also, budgetary comparison schedules have been provided for the general fund and each of the major special revenue funds with legally appropriated budgets to demonstrate compliance with the annual appropriated budget. These schedules are presented as *required supplementary information*. Required supplementary information can be found on pages 56-72 of this report.

Other supplementary information is presented immediately following the required supplementary information. This information, which can be found on pages 79-97, includes the combining non-major governmental fund statements referred to earlier.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Our analysis of government-wide financial information focuses on the net assets (see Table 1) and changes in net assets (see Table 2) of the County's governmental and business-type activities.

As noted earlier, **net assets** may serve over time as a useful indicator of a government's financial position. The County's total assets exceeded liabilities by approximately \$114.7 million at the close of the most recent fiscal year.

**Table 1
Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Current and other assets	\$ 81,929,400	\$ 80,312,214	\$ 13,383,363	\$ 11,824,803	\$ 95,312,763	\$ 92,137,017
Capital assets	<u>94,648,161</u>	<u>98,428,326</u>	<u>12,480,313</u>	<u>15,388,734</u>	<u>107,128,474</u>	<u>113,817,060</u>
Total assets	\$ 176,577,561	\$ 178,740,540	\$ 25,863,676	\$ 27,213,537	\$ 202,441,237	\$ 205,954,077
Current and other liabilities	\$ 6,903,895	\$ 5,717,901	\$ 253,274	\$ 346,899	\$ 7,157,169	\$ 6,064,800
Long-term liabilities outstanding	<u>76,787,426</u>	<u>75,718,945</u>	<u>9,410,399</u>	<u>9,517,492</u>	<u>86,197,825</u>	<u>85,236,437</u>
Total liabilities	\$ 83,691,321	\$ 81,436,846	\$ 9,663,673	\$ 9,864,391	\$ 93,354,994	\$ 91,301,237
Net assets						
Invested in capital assets, net of related debt	\$ 49,735,731	\$ 49,098,035	\$ 9,474,113	\$ 12,707,000	\$ 59,209,844	\$ 61,805,035
Restricted	34,577,192	35,256,191	--	--	34,577,192	35,256,191
Unrestricted	<u>8,573,317</u>	<u>12,949,468</u>	<u>6,725,890</u>	<u>4,642,146</u>	<u>15,299,207</u>	<u>17,591,614</u>
Total net assets -- June 30	\$ 92,886,240	\$ 97,303,694	\$ 16,200,003	\$ 17,349,146	\$ 109,086,243	\$ 114,652,840

Comprising the largest portion of total net assets is the County's investment in capital assets (e.g., land, land improvements, buildings, machinery & equipment, vehicles, and furniture & fixtures) less any related debt used to acquire those assets that is still outstanding. At year-end that balance totaled approximately \$61.8 million, or about 53.9% of total net assets. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2011

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Approximately \$35.3 million, or 30.1% of total net assets, represents resources that are subject to external restrictions on how they may be used. *Unrestricted* net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled approximately \$17.6 million, or 16.0% of total net assets. Unrestricted net assets include amounts that are nonspendable and amounts that have been committed or assigned for projects or other uses.

Unrestricted net assets of governmental activities account for 73.6% of total unrestricted net assets, and unrestricted net assets of business-type activities account for the remaining 26.4% of total unrestricted net assets.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Revenues						
Program Revenues						
Charges for services	\$ 6,901,653	\$ 6,675,481	\$ 4,568,947	\$ 4,536,697	\$ 11,470,600	\$ 11,212,178
Operating grants and contributions	3,665,367	4,086,946	--	25,000	3,665,367	4,111,946
Capital grants and contributions	7,113,413	3,142,771	883,181	36,000	7,996,594	3,178,771
General Revenues						
Property taxes	33,943,788	34,176,835	2,470,340	2,577,034	36,414,128	36,753,869
Local accommodations and hospitality taxes	3,362,177	3,592,443	--	--	3,362,177	3,592,443
Local government fund	2,560,333	2,130,214	--	--	2,560,333	2,130,214
Franchise fees	1,081,354	1,011,170	--	--	1,081,354	1,011,170
Road user fees	1,668,855	1,693,575	--	--	1,668,855	1,693,575
Other revenue	1,612,615	1,355,106	62,298	117,093	1,674,913	1,472,199
Investment earnings	652,787	350,124	146,499	52,570	799,286	402,694
Gain (loss) on disposal of assets	156,181	60,724	82,608	48,266	238,789	108,990
Total Revenues	\$ 62,718,523	\$ 58,275,389	\$ 8,213,873	\$ 7,392,660	\$ 70,932,396	\$ 65,668,049
Expenses						
General government	\$ 16,759,191	\$ 15,544,895	\$ --	\$ --	\$ 16,759,191	\$ 15,544,895
Public safety	21,128,975	21,797,470	--	--	21,128,975	21,797,470
Public works	2,843,974	3,142,414	--	--	2,843,974	3,142,414
Health & welfare	1,680,130	1,692,151	--	--	1,680,130	1,692,151
Economic development	2,848,661	2,725,485	--	--	2,848,661	2,725,485
Culture & recreation	5,189,506	5,996,230	--	--	5,189,506	5,996,230
Environmental services	69,589	20,601	4,800,511	5,320,286	4,870,100	5,340,887
Stormwater management	--	--	658,979	678,936	658,979	678,936
Interest and other charges	2,582,991	3,182,984	--	--	2,582,991	3,182,984
Total Expenses	\$ 53,103,017	\$ 54,102,230	\$ 5,459,490	\$ 5,999,222	\$ 58,562,507	\$ 60,101,452
Increase in Net Assets before Transfers						
Assets before Transfers	\$ 9,615,506	\$ 4,173,159	\$ 2,754,383	\$ 1,393,438	\$ 12,369,889	\$ 5,566,597
Transfers (net)	210,000	244,295	(210,000)	(244,295)	--	--
Increase in Net Assets	\$ 9,825,506	\$ 4,417,454	\$ 2,544,383	\$ 1,149,143	\$ 12,369,889	\$ 5,566,597
Net Assets – July 1	83,060,734	92,886,240	13,655,620	16,200,003	96,716,354	109,086,243
Net Assets – June 30	\$ 92,886,240	\$ 97,303,694	\$ 16,200,003	\$ 17,349,146	\$ 109,086,243	\$ 114,652,840

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2011

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

As reflected above, the County's total revenues decreased by approximately \$5.3 million, or about 7.4%, during the most recent year. Expenses increased by approximately \$1.5 million, or about 2.6 percent. The overall change to net assets resulting from the current year's activities was positive, an increase of approximately \$5.6 million, or about 5.1%.

Our analysis below separately considers the operations of the County's governmental and business-type activities.

Governmental Activities

Governmental activities accounted for increases in the County's net assets of \$4.4 million, or approximately 79.4% of the total growth in the County's net assets. The cost of all governmental activities this year was \$54.1 million. As shown in the Statement of Activities on page 19 of this report, costs are funded through various revenue sources including from those individuals who directly benefited from the programs (\$6.7 million) and from other governments and organizations that subsidized certain programs with grants and contributions (\$7.2 million). The County paid for the remaining \$40.2 million in costs of governmental activities with other general revenues, such as property taxes, local accommodations and hospitality taxes, shared revenues from state government, franchise fees, road user fees, investment earnings, and miscellaneous reimbursements.

Program revenues accounted for approximately 23.9% of total revenues from governmental activities in fiscal year 2011. Within this category, funding from grants and contributions decreased by about 32.9% from the prior year, while revenue from fees charged for services decreased by about 3.3%. The large reduction in grants and contributions is due to the fact that contributions of land and roads valued at \$4.4 million were recognized in the prior year. There were no capital contributions in FY2011. Fortunately, there was a substantial increase in building permit fee revenue this year and no further declines in revenues from documentary stamps and recording fees as we had seen in recent years. We did, however, see a significant reduction in fees remitted from the Master-In-Equity's office.

General revenues accounted for the remaining 76.1% of revenues generated from governmental activities. In total, general revenues of governmental activities decreased by approximately 1.5% from the prior year. Most of the individual general revenue sources reflected little change from the prior year with the exception of interest earnings and "local government fund" revenues allocated from the State, both of which have steadily decreased in recent years. The decrease in interest revenue in FY2011 was approximately \$294,000, which accounts for over 40% of the total decrease in general revenues. The reduction in "local government fund" revenues was close to \$430,000 and substantially accounts for the remainder of the loss in revenues. Collection of local accommodations and hospitality fees showed a healthy increase in FY2011 and is an encouraging sign in light of the continuing down economy.

Expenses of the County's governmental activities increased approximately \$1.0 million, or about 1.9%, for the current year. There are many individual funds accounted for as governmental activities, including grant and other special revenue funds. Spending in these funds can vary significantly, up or down, based on the amount of funding received in a particular year. Total expenses increased this year for governmental activities as a group principally due to increased interest and related fiscal charges (approximately \$600,000) related to debt that has been issued to fund Capital Improvement Plan projects and increased costs of new facilities construction, also related to the Plan.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

Business-Type Activities

Business-type activities accounted for increases in the County's net assets of \$1.2 million, approximately 20.6% of the total growth in the County's net assets. This compares with an increase in the previous year of \$2.5 million, which represented about 20.6% of the total growth that year. The County's business-type activities include the operations of the County landfill, along with related environmental services functions such as waste collection and recycling. They also include the operations of the stormwater drainage management utility. Revenues of the business-type activities decreased by approximately \$0.8 million as a result of receiving funding of a similar grant amount from Santee Cooper for construction of the landfill methane gas collection system in the prior year. While landfill tipping fees increased about 12% over the prior year, stormwater fee revenue decreased by about 12%. There was little variance in other service fees from the prior year. Expenses increased this year primarily in landfill closure and postclosure cost recognition and depreciation charges. In the prior year, there was "one-time" reduction in recognition of landfill closure and postclosure care costs resulting from a new engineering analysis of the remaining capacity and useful life of the landfill.

CAPITAL ASSETS

At the end of fiscal year 2011, the County had approximately \$113.8 million (net of accumulated depreciation) invested in a broad range of capital assets (See Table 3 below). This amount represents a net increase of about \$6.7 million, or 6.2%, over last year.

**Table 3
Capital Assets at Year-End**

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Land	\$ 22,366,803	\$ 22,717,773	\$ 740,718	\$ 740,718	\$ 23,107,521	\$ 23,458,491
Improvements	23,644,895	26,346,497	11,634,775	15,329,163	35,279,670	41,674,660
Buildings	51,138,489	52,742,085	401,271	408,077	51,539,760	53,150,162
Infrastructure	18,456,632	20,541,808	--	--	18,456,632	20,541,808
Mining rights	--	--	225,000	225,000	225,000	225,000
Software	80,700	80,700	70,623	70,623	151,323	151,323
Furniture & fixtures	763,083	763,083	--	--	763,083	763,083
Machinery & equipment	15,651,288	16,150,692	5,763,891	5,513,261	21,415,179	21,663,953
Automotive equipment	17,410,620	18,133,593	1,991,816	2,372,140	19,402,436	20,505,733
Construction in progress	<u>3,085,350</u>	<u>5,057,248</u>	<u>139,671</u>	<u>134,810</u>	<u>3,225,021</u>	<u>5,192,058</u>
	\$ 152,597,860	\$ 162,573,414	\$ 20,967,765	\$ 24,793,792	\$ 173,565,625	\$ 187,367,206
Total accumulated depreciation	<u>(57,949,699)</u>	<u>(64,145,088)</u>	<u>(8,487,452)</u>	<u>(9,405,058)</u>	<u>(66,437,151)</u>	<u>(73,550,146)</u>
Net Capital Assets	<u>\$ 94,648,161</u>	<u>\$ 98,428,326</u>	<u>\$ 12,480,313</u>	<u>\$ 15,388,734</u>	<u>\$ 107,128,474</u>	<u>\$ 113,817,060</u>

This year's major capital purchases included:

- Purchase of Church Street property (\$351,000)
- Purchase of road grader (\$171,000)
- Purchase of two dump trucks (\$222,000)
- Purchase of one ambulance (\$146,000)
- Purchase of other fleet vehicles (\$820,000)
- Purchase of one fuel truck (\$124,000)
- Purchase of one "roll-off" truck (\$136,000)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

CAPITAL ASSETS (CONTINUED)

The following capital expenditures were for projects, some of which were still in progress at year-end:

- Andrews pavilion (\$238,000)
- Boat landing improvements at Petersfield and Brown's Ferry (\$353,000)
- Various airport improvement projects (\$517,000)
- Kensington Community stormwater drainage project (\$359,000)
- Data technology equipment and software upgrades for public safety (\$1,500,000)
- Landfill expansion (\$3,245,000)
- "Old Courthouse" remodeling project (\$592,000)
- Andrews Library expansion and remodeling project (\$713,000)
- Beck Recreation Center (\$354,000)
- Recreational parks improvements project (\$1,666,000)
- Road paving projects (\$2,170,000)

Additional information about the County's capital assets, including significant remaining commitments for construction in progress at year-end, is presented in Note 6 and Note 13 to the financial statements.

DEBT ADMINISTRATION

As shown in Table 4 below, the County had \$74.5 million in bonds, notes, loans and lease obligations outstanding at year-end versus \$77.1 million last year, a decrease of about 3.4%. The only new debt issued during the year was for capital lease financing of equipment scheduled for replacement in the County's long-term Capital Equipment Replacement Plan. In addition to the new lease financing, certain existing leases with outstanding balances totaling approximately \$3,500,000 were refinanced at lower interest rates resulting in future savings to the County of about \$180,000. Subsequent to our fiscal year end, the outstanding balance of our Series 2003 General Obligation Bond was also refinanced to achieve savings of approximately \$1,000,000. More detailed information about the County's debt obligations and future debt service requirements can be found in Note 7 to the financial statements.

**Table 4
Outstanding Debt at Year-End**

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
General obligation bonds	\$ 14,230,000	\$ 13,110,000	\$ --	\$ --	\$ 14,230,000	\$ 13,110,000
Installment purchase revenue bonds	52,910,000	51,205,000	--	--	52,910,000	51,205,000
Plus: Unamortized premiums	867,620	822,175	--	--	867,620	822,175
Less: Unamortized discounts	(409,685)	(388,585)	--	--	(409,685)	(388,585)
Less: Deferred refunding costs	(308,060)	(289,939)	--	--	(308,060)	(289,939)
Net bonds payable	\$ 67,289,875	\$ 64,448,651	\$ --	\$ --	\$ 67,289,875	\$ 64,448,651
Loans payable	500,000	500,000	--	--	500,000	500,000
Capital lease obligations	6,071,967	6,704,757	3,284,142	2,856,928	9,356,109	9,561,685
Totals	<u>\$ 73,861,842</u>	<u>\$ 71,653,408</u>	<u>\$ 3,284,142</u>	<u>\$ 2,856,928</u>	<u>\$ 77,145,984</u>	<u>\$ 74,510,336</u>

Under current state statutes, the County can issue general obligation debt without referendum whenever the new debt and outstanding balances of existing debt in total do not exceed 8% of taxable assessed values on property located within the County limits. As of June 30, 2011, the amount of new general obligation debt that could be issued without referendum was approximately \$29.7 million. General obligation debt issued pursuant to referendum is not subject to the statutory limitation.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2011

FINANCIAL ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the completion of the County's fiscal year, its governmental funds (as presented in the balance sheet on pages 20 and 21 of the financial statements) reported a *combined* fund balance of \$72.4 million, a decrease of \$0.4 million compared to last year's total, a decrease of only about 0.5%. Of the total \$72.4 million combined fund balance of governmental funds, \$2.2 million, or 3.0%, is "nonspendable" as it represents assets that are not convertible to cash, for example, inventories, prepaid amounts, and property held for resale. Reported in restricted fund balance is \$54.2 million, or 74.9%, representing assets that are restricted due to external limitations on its use. This amount includes fund balances of grant funds, funds with dedicated millage adopted for specific uses, funds accounting for revenues generated by legislation enacted for specified purposes, and funds that have balances restricted by provisions of financing instruments. Another \$8.0 million, or 11.0%, of the combined fund balance is "assigned," meaning that balances have been earmarked internally for specified purposes. This balance would include the fund balances of virtually all capital projects funds of the County. The remaining "unassigned" fund balance for the governmental funds in the amount of \$9.8 million is basically available for future appropriation and is substantially accounted for in the County's general fund; however, by policy of County Council, a minimum of \$8.0 million of unassigned fund balance in the general fund is to be maintained to provide a reserve for future emergencies and contingencies as well as to meet cash flow needs that vary significantly throughout the year.

Proprietary Funds

The County's *proprietary funds* generally provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. The County's two proprietary funds are the environmental services fund and the stormwater drainage utility fund. At year-end, net assets of the Environmental Services Fund totaled approximately \$10.9 million and net assets of the stormwater drainage utility fund totaled about \$6.4 million.

BUDGET HIGHLIGHTS OF THE GENERAL FUND

The *original* general fund budget, as presented in this report, includes the original appropriations authorized by County Council just prior to the start of the fiscal year. Budget amendments are adopted through formal process by County Council for encumbered capital purchases recorded and outstanding at the conclusion of the prior fiscal year. In addition, amendments are enacted by Council, at their discretion, to appropriate additional funds from accumulated fund balances or from new revenues sources that were previously unbudgeted.

Supplemental appropriations in the amount of \$712,393 were authorized by Council for the general fund during the year. Of that amount, \$165,726 was for "rollover" of previously budgeted funds for encumbrances outstanding at the start of the fiscal year. The supplemental appropriations also included funds in the amount of \$350,970 for the Church Street property acquisition and \$130,000 for investment in the Low-Country Housing Trust.

Total general fund revenues had a positive variance in total from budget by about \$137,000. However, there were several revenue sources with notable variances from the budget amounts:

- Property taxes – Approximately \$249,000 over budget estimates
- Delinquent tax fees – Approximately \$40,000 under budget estimates
- Building permit fees – Approximately \$66,000 over budget estimates

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended June 30, 2011

BUDGET HIGHLIGHTS OF THE GENERAL FUND (CONTINUED)

- Utility franchise fees – Approximately \$85,000 under budget estimates
- Investment earnings – Approximately \$102,000 under budget estimates
- Local government fund (from State) – Approximately \$90,000 under budget estimates

Actual expenditures incurred were \$690,000 less than appropriated. Significant variances from budget resulted primarily from the following:

- Savings in personnel costs resulting from temporary vacancies and delays in filling positions. These savings totaled approximately \$253,000 for the year.
- Approximately \$150,000 in contingency allowances in the budget were unused as a result of a very concerted effort by employees at all levels to conserve, save and perform more efficiently.
- Numerous positive variances of fairly small amounts individually that when added together result in significant savings against the budgeted appropriations. These kinds of variances are a consequence of budgetary controls that are designed to ensure that expenditures do not exceed budget appropriations and the large volume of individual line-items reported in the General Fund.

Budgetary comparisons for all general fund revenue sources and functional expenditures can be found on pages 57-68 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when developing the fiscal year 2012 budget. Some of the factors considered were the national, state and local economic forecasts for recovery, tourism trends, population growth rates (both in Georgetown County and in surrounding counties), and trend data regarding growth in property tax base and building permits issued. Based on our analysis of these factors, we anticipate some minor improvement for revenue projections for the coming year. There are indications, at least locally, that the key revenue streams associated with housing market problems and the general recessionary economy that is gripping our nation have bottomed out and may be making a turn in the right direction. During the past year we realized a moderately significant increase in building permits and relatively strong growth in accommodations and hospitality fees generated from the tourism industry in Georgetown County.

While most revenue sources in the County's fiscal year 2011 budget were projected to be at levels similar to or moderately increased from the prior year, there were two sources that had to be projected with significant reductions: "local government fund" (LGF) distributions from the State, and interest earnings from invested cash balances on hand. Based on State budget allocations for FY2011, we expect to receive \$286,000 less than last year in LGF distributions. There is a great deal of pressure mounting for the legislature to restore LGF distributions in future years to the previously established rates provided for by State statute. If that effort is successful, the County's budget would realize as much as \$1,000,000 in additional funding annually. Regarding projections of interest earnings, the FY2011 budget was prepared with the expectation that earnings would continue to be reduced as interest rates have fallen in recent years. It now appears that reductions will be even greater than anticipated. Short-term rates for investments are almost non-existent and there are no indications that this condition will change anytime soon. On a positive note, interest earnings can only improve in years to come.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

County Council took bold cost-cutting measures in developing the fiscal year 2010 budget, including elimination of approximately 23 full-time personnel positions, elimination of cost of living and merit pay adjustments, and a 3% across the board wage reduction for all County employees. It was recognized that a complete economic recovery was likely going to be a long process and total reliance on using fund balance to solve shortfalls would not be a wise course to follow. The FY2011 budget was developed with that in mind, and again did not provide for cost of living and merit pay adjustments for employees, but Council did approve some use of fund balance, approximately \$500,000 of funds in excess of reserve policy established amounts, to eliminate projected shortfalls rather than make further cuts in personnel, which inevitably would lead to reductions in services levels to the citizens.

Once again no provisions were made in the FY2012 budget for cost of living and merit pay adjustments; however Council authorized a one-time pay supplement of 3% of annual salary to those employees with two or more years service with the County. No additional personnel positions were authorized for FY2012 and any positions that become vacant will be closely evaluated prior to making a decision to fill the vacancy. In addition, all budget requests continue to be reviewed and analyzed at the line-item level to identify every possible savings available. As in the prior year, Council has approved some use of unassigned fund balance in the General Fund to balance the FY2012 budget and, in particular, to provide funding for the pay supplement mentioned above. This action was only taken, however, after a comprehensive long-term financial projection indicated that previously established minimum levels of unassigned fund balance can be maintained over the long-term.

Due to the Council actions described above, fund balance of the General Fund remains strong. At year-end, amounts available in the General Fund for future appropriation are approximately \$9.9 million, a decrease of only \$0.2 million from the prior year. In conjunction with a fund balance policy adopted by County Council in 2006, a minimum of \$8.0 million of fund balance in the General Fund is to be maintained to provide a reserve for future emergencies and contingencies as well as to meet cash flow needs that vary significantly throughout the year.

Significant provisions included in the fiscal year 2012 budget include:

- No provision for increased taxes or fees.
- Continuation of the Capital Equipment Replacement Fund ("CERF") that was created to provide for funding, acquisition and debt service related to the County's vehicle and major equipment replacement needs. Each governmental fund makes annual transfers to the CERF in amounts that are reasonably stable from year-to-year and sufficient to provide for fleet replacement on a prudent predetermined basis.
- Further implementation of the County's Visions II Capital Improvement Plan (CIP). Some of the more significant segments planned for the upcoming year include:
 - Purchase of various technology equipment and system upgrades for public safety.
 - Begin site development and construction of eight recreational parks.
 - Begin building expansion for E911 and EOC operations.
 - Begin construction plans for a new Waccamaw Neck Library.
 - Anticipated completion of remodeling work on the "Old" County courthouse facility to allow for alternative utilization by County staff.
- Construction of additional stormwater utility improvements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2011

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Finance Department at: 129 Screven Street, Georgetown, South Carolina 29442.

This page is intentionally left blank.

Basic Financial Statements

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Assets

June 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and investments	\$ 50,037,743	\$ 5,159,056	\$ 55,196,799
Receivables (net of allowances)			
Taxes	1,592,105	58,858	1,650,963
Court fines	754,610	-	754,610
From customers	-	197,835	197,835
From other governments	2,373,658	-	2,373,658
Other	1,156,475	33,860	1,190,335
Deferred charges	804,817	-	804,817
Prepaid items	428,404	25,045	453,449
Inventories	56,033	-	56,033
Assets held for resale	1,868,718	-	1,868,718
Restricted assets			
Cash and investments	21,239,651	6,350,149	27,589,800
Capital assets			
Land and construction in progress	27,814,956	875,528	28,690,484
Other capital assets, net of accumulated depreciation	70,613,370	14,513,206	85,126,576
Total Assets	<u>178,740,540</u>	<u>27,213,537</u>	<u>205,954,077</u>
Liabilities			
Payables			
Trade and other accounts	2,880,571	287,362	3,167,933
Accrued wages and benefits	751,565	59,537	811,102
Accrued interest payable	389,129	-	389,129
Other	356,849	-	356,849
Deferred revenue	1,339,787	-	1,339,787
Noncurrent liabilities			
Due within one year	5,751,165	797,163	6,548,328
Due in more than one year	69,967,780	8,720,329	78,688,109
Total Liabilities	<u>81,436,846</u>	<u>9,864,391</u>	<u>91,301,237</u>
Net Assets			
Invested in capital assets, net of related debt	49,098,035	12,707,000	61,805,035
Restricted for:			
General government programs	74,768	-	74,768
Public safety programs	3,002,300	-	3,002,300
Public works programs	5,887,021	-	5,887,021
Health & welfare programs	580,005	-	580,005
Culture & recreation programs	8,986,678	-	8,986,678
Economic development programs	3,513,944	-	3,513,944
Debt service	13,057,296	-	13,057,296
Capital improvements	154,179	-	154,179
Unrestricted	12,949,468	4,642,146	17,591,614
Total Net Assets	<u>\$ 97,303,694</u>	<u>\$ 17,349,146</u>	<u>\$ 114,652,840</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General government	\$ 15,544,895	\$ 473,349	\$ 122,295	\$ (12,311,424)	\$ -	\$ (12,311,424)
Public safety	21,797,470	1,119,763	230,743	(19,066,272)	-	(19,066,272)
Public works	3,142,414	594,048	-	(2,548,366)	-	(2,548,366)
Health and welfare	1,692,151	34,182	-	807,021	-	807,021
Economic development	2,725,485	128,869	1,559,318	(910,035)	-	(910,035)
Culture and recreation	5,996,230	1,716,134	1,230,415	(2,984,972)	-	(2,984,972)
Environmental services	20,601	20,601	-	-	-	-
Interest and other charges on debt	3,182,984	-	-	(3,182,984)	-	(3,182,984)
Total Governmental Activities	54,102,230	4,086,946	3,142,771	(40,197,032)	-	(40,197,032)
Business-Type Activities:						
Environmental services	5,320,286	25,000	36,000	-	(2,358,555)	(2,358,555)
Stormwater management services	678,936	-	-	-	957,030	957,030
Total Business-Type Activities	5,999,222	25,000	36,000	-	(1,401,525)	(1,401,525)
Totals	\$ 60,101,452	\$ 4,111,946	\$ 3,178,771	(40,197,032)	(1,401,525)	(41,598,557)
General Revenue						
Property taxes, levied for general purposes	34,176,835			34,176,835	2,577,034	36,753,869
Local accommodations and hospitality taxes	3,592,443			3,592,443	-	3,592,443
State shared local government fund revenues	2,130,214			2,130,214	-	2,130,214
Franchise fees	1,011,170			1,011,170	-	1,011,170
Road user fees	1,693,575			1,693,575	-	1,693,575
E911 system user fees	375,486			375,486	-	375,486
Impact fees (restricted)	620,300			620,300	-	620,300
Unrestricted investment earnings	350,124			350,124	52,570	402,694
Other	359,320			359,320	117,093	476,413
Gain on disposal of property	60,724			60,724	48,266	108,990
Transfers	244,295			244,295	(244,295)	-
Total General Revenue and Transfers	44,614,486			44,614,486	2,550,668	47,165,154
Change in Net Assets	4,417,454			4,417,454	1,149,143	5,566,597
Net Assets - Beginning of Year (restated)	92,886,240			92,886,240	16,200,003	109,086,243
Net Assets - End of Year	97,303,694			97,303,694	17,349,146	114,652,840

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Law Enforcement Fund</u>	<u>Local Accommodations & Hospitality Tax Fund</u>	<u>Debt Service Fund</u>
ASSETS				
Cash and investments	\$ 10,849,352	\$ 2,035,373	\$ 6,694,114	\$ 9,910,863
Receivables (net of allowances)				
Taxes	515,540	192,978	571,389	145,380
Court fines	-	754,610	-	-
From other governments	593,722	-	-	321
From other County funds	12,343	-	-	-
Other	936,561	109,643	-	640
Prepaid items	113,943	86,454	-	-
Inventory	56,033	-	-	-
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	4,998,413
Total Assets	\$ 13,077,494	\$ 3,179,058	\$ 7,265,503	\$ 15,055,617
LIABILITIES AND FUND BALANCES				
Liabilities				
Payables				
Trade and other accounts	\$ 635,025	\$ 339,731	\$ -	\$ -
Accrued wages and benefits	427,959	185,887	-	-
To other County funds	-	-	-	27,000
Other	356,849	-	-	-
Deferred revenue				
Property taxes	423,176	134,012	-	101,884
Fines	-	717,521	-	-
Grants	100,000	-	-	-
Ambulance fees	308,374	-	-	-
Other	707,100	-	-	-
Total Liabilities	2,958,483	1,377,151	-	128,884
Fund Balances				
Nonspendable				
Prepaid items	113,943	86,454	-	-
Inventory	56,033	-	-	-
Restricted for:				
General government programs	-	-	-	-
Public safety programs	-	1,715,453	-	-
Public works programs	-	-	-	-
Health & welfare programs	-	-	-	-
Culture & recreation programs	-	-	7,265,503	-
Economic development programs	-	-	-	-
Debt service	-	-	-	14,926,733
Capital improvements	-	-	-	-
Assigned for:				
General government programs	37,377	-	-	-
Capital improvements	-	-	-	-
Unassigned	9,911,658	-	-	-
Total Fund Balances	10,119,011	1,801,907	7,265,503	14,926,733
Total Liabilities and Fund Balances	\$ 13,077,494	\$ 3,179,058	\$ 7,265,503	\$ 15,055,617

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Balance Sheet
Governmental Funds
 June 30, 2011

	<u>Capital Improvement Plan Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 4,153,023	\$ 16,395,018	\$ 50,037,743
Receivables (net of allowances)			
Taxes	-	166,818	1,592,105
Court fines	-	-	754,610
From other governments	149,258	1,630,357	2,373,658
From other County funds	27,000	725,674	765,017
Other	-	109,631	1,156,475
Prepaid items	-	228,007	428,404
Inventory	-	-	56,033
Assets held for resale	-	1,868,718	1,868,718
Restricted assets			
Cash and investments	16,205,534	35,704	21,239,651
Total Assets	<u><u>\$ 20,534,815</u></u>	<u><u>\$ 21,159,927</u></u>	<u><u>\$ 80,272,414</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Trade and other accounts	\$ 594,988	\$ 1,310,827	\$ 2,880,571
Accrued wages and benefits	-	137,719	751,565
To other County funds	-	738,017	765,017
Other	-	-	356,849
Deferred revenue			
Property taxes	-	123,346	782,418
Fines	-	-	717,521
Grants	232,000	300,687	632,687
Ambulance fees	-	-	308,374
Other	-	-	707,100
Total Liabilities	<u><u>826,988</u></u>	<u><u>2,610,596</u></u>	<u><u>7,902,102</u></u>
Fund Balances			
Nonspendable			
Prepaid items	-	228,007	428,404
Inventory	-	-	56,033
Restricted for:			
General government programs	-	111,908	111,908
Public safety programs	-	1,855,454	3,570,907
Public works programs	-	4,505,878	4,505,878
Health & welfare programs	-	653,688	653,688
Culture & recreation programs	-	1,940,644	9,206,147
Economic development programs	-	4,904,998	4,904,998
Debt service	-	-	14,926,733
Capital improvements	16,232,534	105,087	16,337,621
Assigned for:			
General government programs	-	-	37,377
Capital improvements	3,475,293	4,332,061	7,807,354
Unassigned	-	(88,394)	9,823,264
Total Fund Balances	<u><u>19,707,827</u></u>	<u><u>18,549,331</u></u>	<u><u>72,370,312</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 20,534,815</u></u>	<u><u>\$ 21,159,927</u></u>	<u><u>\$ 80,272,414</u></u>

The accompanying notes are an integral part of the financial statements.

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets**

June 30, 2011

Total Fund Balances of Governmental Funds (reported on page 21) **\$ 72,370,312**

Amounts reported for governmental activities in the government-wide statement of net assets presented on page 18 are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 98,428,326

Other long-term assets, such as property taxes receivable, court fines receivable, and ambulance fees receivable are not available to pay current period expenditures and, therefore, are deferred or not recognized in the governmental funds. 1,808,313

Bond issuance and refunding costs are recognized in the governmental funds when paid, but are deferred and amortized over the life of the bonds in the government-wide statement of net assets. 804,817

Long-term liabilities, including bonds payable (net of unamortized premiums, discounts and deferred refunding costs), capital leases, net OPEB obligation, compensated absences and accrued interest, are not due and payable in the current period or are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds. (76,108,074)

Net Assets of Governmental Activities (reported on page 18) **\$ 97,303,694**

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Law Enforcement Fund</u>	<u>Local Accommodations & Hospitality Tax Fund</u>	<u>Debt Service Fund</u>
Revenues				
Property taxes	\$ 12,683,927	\$ 8,051,667	\$ -	\$ 5,915,909
Local taxes				
Accommodations	-	-	1,623,026	-
Hospitality	-	-	1,969,417	-
Fees, licenses and permits	5,489,023	259,454	-	475,640
Fines and forfeitures	146,175	476,631	-	-
Use of money and property	237,773	7,710	26,596	164,334
Intergovernmental	2,504,285	210,321	-	-
Grants	17,402	54,244	-	-
Other	77,243	109,148	-	-
Total Revenues	\$ 21,155,828	\$ 9,169,175	\$ 3,619,039	\$ 6,555,883
Expenditures				
Current				
General government	\$ 11,752,279	\$ -	\$ -	\$ -
Public safety	3,147,403	10,127,300	-	-
Public works	1,735,904	-	-	-
Health & welfare	632,059	-	-	-
Economic development	228,191	-	-	-
Culture & recreation	3,031,646	-	-	-
Environmental services	-	-	-	-
Capital Outlay				
General government	386,360	-	-	-
Public safety	-	32,612	-	-
Public works	18,288	-	-	-
Health & welfare	-	-	-	-
Economic development	38,612	-	-	-
Culture & recreation	53,500	-	-	-
Debt Service				
Principal	102,384	29,753	-	2,835,000
Interest	68,517	19,909	-	2,881,601
Fiscal charges	-	-	-	16,229
Total Expenditures	\$ 21,195,143	\$ 10,209,574	\$ -	\$ 5,732,830
Excess (Deficiency) of Revenues Over Expenditures	(39,315)	(1,040,399)	3,619,039	823,053
Other Financing Sources (Uses)				
Proceeds from new capital lease financing	-	-	-	-
Proceeds from sale of assets	12,529	48,163	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	1,475,257	1,998,000	-	-
Transfers out	(1,739,366)	(625,000)	(2,512,000)	-
Total Other Financing Sources (Uses)	(251,580)	1,421,163	(2,512,000)	-
Net Changes in Fund Balances	(290,895)	380,764	1,107,039	823,053
Fund Balances - Beginning of Year	10,409,906	1,421,143	6,158,464	14,103,680
Fund Balances - End of Year	\$ 10,119,011	\$ 1,801,907	\$ 7,265,503	\$ 14,926,733

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2011

	<u>Capital Improvement Plan Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ -	\$ 7,553,406	\$ 34,204,909
Local taxes			
Accommodations	-	-	1,623,026
Hospitality	-	-	1,969,417
Fees, licenses and permits	-	3,069,031	9,293,148
Fines and forfeitures	-	-	622,806
Use of money and property	37,596	106,093	580,102
Intergovernmental	-	2,062,863	4,777,469
Grants	1,217,615	3,485,170	4,774,431
Other	14,226	144,217	344,834
Total Revenues	\$ 1,269,437	\$ 16,420,780	\$ 58,190,142
Expenditures			
Current			
General government	\$ 12,394	\$ 767,510	\$ 12,532,183
Public safety	-	6,238,998	19,513,701
Public works	-	332,174	2,068,078
Health & welfare	-	814,508	1,446,567
Economic development	-	1,433,776	1,661,967
Culture & recreation	-	1,595,711	4,627,357
Environmental services	-	20,601	20,601
Capital Outlay			
General government	763,752	371,373	1,521,485
Public safety	1,269,604	1,132,713	2,434,929
Public works	9,500	2,583,663	2,611,451
Health & welfare	-	47,648	47,648
Economic development	-	498,808	537,420
Culture & recreation	4,431,190	59,076	4,543,766
Debt Service			
Principal	-	1,078,763	4,045,900
Interest	-	147,467	3,117,494
Fiscal charges	-	-	16,229
Total Expenditures	\$ 6,486,440	\$ 17,122,789	\$ 60,746,776
Excess (Deficiency) of Revenues Over Expenditures	(5,217,003)	(702,009)	(2,556,634)
Other Financing Sources (Uses)			
Proceeds from new capital lease financing	-	1,843,726	1,843,726
Proceeds from sale of assets	-	7,691	68,383
Proceeds from capital lease refinancing	-	3,527,648	3,527,648
Payoff of capital leases refinanced	-	(3,527,648)	(3,527,648)
Transfers in	517,000	1,861,766	5,852,023
Transfers out	-	(731,362)	(5,607,728)
Total Other Financing Sources (Uses)	517,000	2,981,821	2,156,404
Net Changes in Fund Balances	(4,700,003)	2,279,812	(400,230)
Fund Balances - Beginning of Year	24,407,830	16,269,519	72,770,542
Fund Balances - End of Year	\$ 19,707,827	\$ 18,549,331	\$ 72,370,312

The accompanying notes are an integral part of the financial statements.

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**
For the Year Ended June 30, 2011

Net Change in Fund Balances of Governmental Funds (reported on page 25) **\$ (400,230)**

Amounts reported for governmental activities in the government-wide statement of activities presented on page 19 are different because:

Governmental funds report capital asset acquisition costs 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 asset acquisition costs (\$10,382,234) exceeded depreciation expense (\$6,594,410) in the current period. 3,787,824

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 current financial resources, are not reported as revenues in the governmental funds. 24,523

The issuance of long-term debt (e.g., bonds, loans and 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 full amount 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. 2,202,210

In the statement of activities, only the gain on the sale of assets (\$60,724) is reported. However, in the governmental funds, the full proceeds from the sales (\$68,383) increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold. (7,659)

Annual OPEB costs (\$1,412,451) are recorded in the Statement of Activities while only OPEB contributions (\$279,785) are recorded in the governmental funds. This amount is the net effect of differences in treatment of OPEB costs. (1,132,666)

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. (56,548)

Change in Net Assets of Governmental Activities (reported on page 19) **\$ 4,417,454**

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Assets			
Current Assets			
Cash and investments	\$ 768,541	\$ 4,390,515	\$ 5,159,056
Receivables (net of allowances)			
Taxes	58,858	-	58,858
From customers	137,769	60,066	197,835
Other	33,820	40	33,860
Pepaid items	24,197	848	25,045
	<u>1,023,185</u>	<u>4,451,469</u>	<u>5,474,654</u>
Noncurrent Assets			
Restricted assets			
Cash and investments	6,350,149	-	6,350,149
Capital assets			
Land	740,718	-	740,718
Improvements	13,268,209	2,060,954	15,329,163
Buildings	408,077	-	408,077
Mining rights	225,000	-	225,000
Software	-	70,623	70,623
Machinery and equipment	5,492,154	21,107	5,513,261
Automotive equipment	2,322,613	49,527	2,372,140
Construction-in-progress	-	134,810	134,810
Accumulated depreciation	(9,102,163)	(302,895)	(9,405,058)
	<u>19,704,757</u>	<u>2,034,126</u>	<u>21,738,883</u>
Total Assets	20,727,942	6,485,595	27,213,537
Liabilities			
Current Liabilities			
Payables			
Trade and other accounts	258,090	29,272	287,362
Accrued wages and benefits	50,286	9,251	59,537
Capital leases	643,496	-	643,496
Liability for compensated absences	76,703	7,264	83,967
Liability for landfill closure and postclosure costs	69,700	-	69,700
	<u>1,098,275</u>	<u>45,787</u>	<u>1,144,062</u>
Noncurrent Liabilities			
Net OPEB obligation	189,063	32,965	222,028
Capital leases	2,213,432	-	2,213,432
Liability for compensated absences	4,037	383	4,420
Liability for landfill closure and postclosure costs	6,280,449	-	6,280,449
	<u>8,686,981</u>	<u>33,348</u>	<u>8,720,329</u>
Total Liabilities	9,785,256	79,135	9,864,391
Net Assets			
Invested in capital assets, net of related debt	10,672,874	2,034,126	12,707,000
Unrestricted	269,812	4,372,334	4,642,146
Total Net Assets	\$ 10,942,686	\$ 6,406,460	\$ 17,349,146

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

For the Year Ended June 30, 2011

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Operating Revenues			
Charges for sales and services			
Landfill tipping fees	\$ 1,223,558	\$ -	\$ 1,223,558
Household fees	1,414,274	-	1,414,274
Stormwater drainage fees and penalties	-	1,635,966	1,635,966
Sale of recyclables and compost	171,824	-	171,824
Nonresidential roll-out fees	15,092	-	15,092
Waste tire fees	24,561	-	24,561
Methane gas sales	42,972	-	42,972
Property taxes			
Current	2,281,372	-	2,281,372
Vehicles	110,473	-	110,473
Delinquent	40,000	-	40,000
Payments in lieu of tax	22,453	-	22,453
Homestead exemption	56,330	-	56,330
Motor carrier	5,122	-	5,122
Manufacturers reimbursement	38,759	-	38,759
Tax penalties	22,525	-	22,525
Other	33,450	-	33,450
Total Operating Revenue	<u>\$ 5,502,765</u>	<u>\$ 1,635,966</u>	<u>\$ 7,138,731</u>
Operating Expenses			
Personal services	\$ 1,737,046	\$ 309,527	\$ 2,046,573
Operations and maintenance			
Supplies and materials	1,029,825	18,540	1,048,365
Other charges and services	825,718	225,354	1,051,072
Depreciation	1,124,198	125,515	1,249,713
Landfill closure and postclosure	491,230	-	491,230
Total Operating Expenses	<u>\$ 5,208,017</u>	<u>\$ 678,936</u>	<u>\$ 5,886,953</u>
Operating Income (Loss)	294,748	957,030	1,251,778
Nonoperating Revenues (Expenses)			
Gain (loss) on disposal of capital assets	48,266	-	48,266
Investment earnings	34,695	17,875	52,570
Miscellaneous	116,139	954	117,093
Interest expense	(112,269)	-	(112,269)
Total Nonoperating Revenues (Expenses)	<u>86,831</u>	<u>18,829</u>	<u>105,660</u>
Income (Loss) Before Capital Contributions and Transfers	381,579	975,859	1,357,438
Capital Contributions - Grants	36,000	-	36,000
Transfers Out	(74,295)	(170,000)	(244,295)
Changes in Net Assets	343,284	805,859	1,149,143
Total Net Assets - Beginning of Year	10,599,402	5,600,601	16,200,003
Total Net Assets - End of Year	<u>\$ 10,942,686</u>	<u>\$ 6,406,460</u>	<u>\$ 17,349,146</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2011

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Cash Flows of Operating Activities			
Receipts from customers and users	\$ 2,856,509	\$ 1,606,004	\$ 4,462,513
Receipts from taxpayers	2,575,964	-	2,575,964
Other receipts	149,589	954	150,543
Payments to or on behalf of employees	(1,644,805)	(292,446)	(1,937,251)
Payments to suppliers for goods and services	(1,787,145)	(223,221)	(2,010,366)
Net Cash Provided (Used) by Operating Activities	<u>2,150,112</u>	<u>1,091,291</u>	<u>3,241,403</u>
Cash Flows of Noncapital Financing Activities			
Transfers to governmental funds	(74,295)	(170,000)	(244,295)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(74,295)</u>	<u>(170,000)</u>	<u>(244,295)</u>
Cash Flows of Capital and Related Financing Activities			
Proceeds from sale of capital assets	173,950	-	173,950
Proceeds from capital lease financing	1,743,396	-	1,743,396
Capital grant contributions	36,000	-	36,000
Principal paid on capital lease financing	(2,170,610)	-	(2,170,610)
Interest paid on capital lease financing	(112,269)	-	(112,269)
Purchase or construction of capital assets	(3,851,614)	(432,204)	(4,283,818)
Landfill postclosure costs paid	(57,703)	-	(57,703)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,238,850)</u>	<u>(432,204)</u>	<u>(4,671,054)</u>
Cash Flows of Investing Activities			
Earnings on deposits and investments	34,695	17,875	52,570
Net Cash Provided (Used) by Investing Activities	<u>34,695</u>	<u>17,875</u>	<u>52,570</u>
Net Increase in Cash and Cash Equivalents	(2,128,338)	506,962	(1,621,376)
Cash and Cash Equivalents - Beginning of Year	9,247,028	3,883,553	13,130,581
Cash and Cash Equivalents - End of Year	<u>\$ 7,118,690</u>	<u>\$ 4,390,515</u>	<u>\$ 11,509,205</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2011

	Enterprise Funds		Total Proprietary Funds
	Environmental Services	Stormwater Drainage Utility	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 294,748	\$ 957,030	\$ 1,251,778
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,124,198	125,515	1,249,713
Landfill closure and postclosure costs	491,230	-	491,230
Decreases (increases) in current assets			
Customer and other accounts receivable	(35,772)	(29,962)	(65,734)
Property taxes receivable	(1,070)	-	(1,070)
Prepaid items	2,956	1,032	3,988
Increases (decreases) in current liabilities			
Trade accounts payable (exclusive of capital items)	65,442	19,641	85,083
Accrued wages and benefits payable	7,330	1,212	8,542
Liability for compensated absences	(1,045)	1,017	(28)
Increases (decreases) in noncurrent liabilities			
Net OPEB obligation	86,011	14,798	100,809
Compensated absences	(55)	54	(1)
Miscellaneous receipts	116,139	954	117,093
Net Cash Provided (Used) by Operating Activities	\$ 2,150,112	\$ 1,091,291	\$ 3,241,403

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 6,563,187
Total Assets	<u><u>6,563,187</u></u>
Liabilities	
Due to other taxing entities	555,670
Due to Georgetown County Water & Sewer District	16,494
Due to estate and trust beneficiaries	1,701,191
Due to bidders and redeemers on tax sales	3,311,572
Due to plaintiffs	3,588
Due to payors of bonds and fines	504,446
Due to South Carolina Department of Revenue	112,154
Due to support recipients	40,787
Due to seized asset beneficiaries	143,586
Due to South Carolina Department of Highways	14,527
Due to others	159,172
Total Liabilities	<u><u>\$ 6,563,187</u></u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note I - Summary of Significant Accounting Policies

The financial statements of the County of Georgetown, 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.

Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units; potential component units are legally separate organizations for which the elected officials of the County might be considered to be financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, based on Statement No. 39 of the Governmental Accounting Standards Board. The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents; it follows that an accountability perspective should provide the basis for defining the financial reporting entity. In accordance with that concept, the Georgetown County financial reporting entity consists only of the departments and funds of the County, the primary government; no other separate entities have been included in the reporting entity (and these financial statements) because the County is not financially accountable for any other separate organizations, and there are no other organizations for which the nature and significance of their relationship with the County is such that exclusion would cause the financial statements to be misleading or incomplete.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County as a whole. For the most part, the effect of interfund activity (other than for services provided and used) within the governmental and business-type columns 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.

In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis. The County's net assets are reported in three parts: 1) net assets invested in capital assets, net of related debt, 2) restricted net assets, and 3) unrestricted net assets.

The government-wide 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. *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*.

Fund Financial Statements

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 proprietary funds are reported as separate columns in each of the fund financial statements.

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 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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Property taxes, franchise taxes, licenses, court fines, State aid and shared taxes, ambulance fees, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

Law Enforcement Fund: The Law Enforcement Fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are collected for the purpose of providing law enforcement protection services for Georgetown County.

Local Accommodations and Hospitality Tax Fund: The Local Accommodations and Hospitality Tax Fund is a special revenue fund used to account for the proceeds of these specific revenue sources collected for the purpose of providing tourism related facilities and services in Georgetown County.

Debt Service Fund: The Debt Service Fund accounts for revenues collected for the purpose of servicing the County's outstanding debt.

Capital Improvement Plan (CIP) Projects Fund: To account for funds, including bond proceeds, segregated and earmarked for the County's "Visions II" Capital Improvement Plan, along with the associated costs of the individual CIP projects.

The County reports the following major proprietary funds:

Environmental Services Fund (Enterprise Fund): The Environmental Services Fund is used to account for the operations of the County landfill along with related solid waste management functions such as waste collection, recycling, and composting. Also includes mosquito control activities. This fund is funded from a combination of user fees and property taxes.

Stormwater Drainage Utility Fund (Enterprise Fund): The Stormwater Drainage Utility Fund is used to account for the operations of the County's stormwater drainage management program. This fund is funded by user fees and nonoperating grants.

Additionally, the County reports the following fiduciary fund type:

Agency Fund: This fund type 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-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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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 user fees collected in association with the provision of waste collection and disposal services (Environmental Services Fund) and stormwater drainage management (Stormwater Drainage Utility Fund). Operating revenues of the Environmental Services Fund also include property taxes. 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.

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.

Investments for the government are reported at fair value.

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.

Receivables

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

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

Inventories and Prepaid Items

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 postage, park passes, refrigerant, emergency preparedness supplies, and diesel fuel. Inventories are valued at cost using the average cost method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

Restricted Assets

Certain assets of special revenue 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.

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. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

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

<u>Assets</u>	<u>Years</u>
Improvements	5-25
Buildings	8-20
Infrastructure	20-35
Mining Rights	5-15
Software	3-5
Furniture & Fixtures	5-10
Machinery & Equipment	3-10
Automotive Equipment	3-10

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

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 and proprietary 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.

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.

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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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

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:

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

Net Assets/Fund Balances

Net assets are defined as the difference between assets and liabilities in the government-wide statement of net assets. The County's net assets in the government-wide financial statements and proprietary fund financial statements are then 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.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The requirements of this Statement became effective for financial statements for periods beginning after June 15, 2010.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

The following categories of fund balance are now being used in the governmental fund financial statements:

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or are contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amounts of loans and notes receivable, as well as property acquired for resale.

Restricted Fund Balance

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The County recognizes committed fund balances only when they have been approved for specific purposes by County Council before the fiscal year end.

Assigned Fund Balance

The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the County's highest level of decision-making authority and as such, the nature of actions necessary to remove or modify an assignment does not require the County's highest level of authority. In the special revenue funds and capital projects funds, assigned fund balances represent amounts that have been earmarked for specific purposes.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned for specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned balance.

Based on the County's practices regarding fund balance classifications as noted above, the County considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditures that have been designated by County Council or donors have been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

Fund Balance Policy

By policy of County Council, it is required that a minimum unassigned fund balance be maintained in the General Fund in the amount of \$8,000,000, or 35% of the annual budget, whichever is greater. Unassigned fund balances equal to 10% of annual budget amounts are required to be maintained in the Law Enforcement, County Fire, Midway Fire, Bureau of Aging Services, and Economic Development funds.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2011

Note 2 - Deposits and Investments

Deposits

The County generally pools cash of all funds into a limited number of accounts for operating purposes. At June 30, 2011, the carrying amount of the County's total cash deposits, including agency fund deposits, was \$70,340,275 with corresponding bank balances of \$70,804,377. Petty cash on hand totaled \$6,326.

Custodial credit risk 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 in excess of federal depository insurance to be collateralized with securities of the federal government, or its agencies, and held by the pledging financial institution's trust department in the County's name. There were no County deposits exposed to custodial credit risk at year-end.

Investments

The County's investment policies are limited by State statutes which authorize the County to invest in obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, savings and loan associations to the extent secured by an agency of the federal government, and certificates of deposit and repurchase agreements when collateralized by securities of the type described above. Certain other limited investments are authorized by the statutes when made by financial institutions acting as trustee or agent with respect to debt issues of the County. The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The County is under no contractual agreements that further restrict investment alternatives. The County's investment policy does not address custodial credit risk, credit risk, or concentration of credit risk as they may pertain to its investment portfolio.

At year-end, the County's only investment was a repurchase agreement in the amount of \$19,003,185 which was acquired on June 30, 2011, and had a maturity date of July 1, 2011. The fair value of this investment was \$19,003,185. There were no County investments exposed to any of the identified credit risks at year-end.

Note 3 - Receivables

Receivables at June 30, 2011, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Taxes Receivable, Net			
Property Taxes Receivable	\$ 1,020,716	\$ 58,858	\$ 1,079,574
Local Accommodations & Hospitality Tax	571,389	--	571,389
	<u>1,592,105</u>	<u>58,858</u>	<u>1,650,963</u>
Court Fines Receivable, Net	754,610	--	754,610
Due from Customers, Net			
Landfill Fees Receivable	--	137,769	137,769
Stormwater Fees Receivable	--	60,066	60,066
	<u>--</u>	<u>197,835</u>	<u>197,835</u>
Due from Other Governments			
Grants	527,746	--	527,746
Local Government Fund	522,648	--	522,648
State Accommodations Tax	246,864	--	246,864
Energy Program Loan Proceeds	303,971	--	303,971
C-Funds	393,967	--	393,967
Sunday Alcohol Sales Permit Fees	29,800	--	29,800
Admissions Tax	34,228	--	34,228
E-911 System State Reimbursements	227,653	--	227,653
Inventory Tax Replacement	23,586	--	23,586
Various Other	63,195	--	63,195
	<u>2,373,658</u>	<u>--</u>	<u>2,373,658</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 3 - Receivables (continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Other Receivables, Net			
EMS Billings	660,438	--	660,438
Prisoner Housing	84,390	--	84,390
Hangar Rent	26,154	--	26,154
Magistrates Fines and Assessments	57,831	--	57,831
Reimbursement for SRO's	11,829	--	11,829
Reimbursement of DSS Costs	20,062	--	20,062
Insurance Claims	54,347	40	54,387
Retiree Insurance	13,732	--	13,732
E-911 System User Fees	22,929	--	22,929
Credit Due from First Vehicle Services	35,787	--	35,787
Various Other	168,976	33,820	202,796
	<u>1,156,475</u>	<u>33,860</u>	<u>1,190,335</u>
Total Receivables	<u>\$ 5,876,848</u>	<u>\$ 290,553</u>	<u>\$ 6,167,401</u>

Property taxes receivable that do not meet the availability requirement have been recorded as deferred revenue in the fund financial statements. Allowances for uncollectible property taxes have been recorded in the governmental activities in the amount of \$1,020,716 and \$58,858 in the business type activities.

An allowance for uncollectible court fines of \$554,568 and an allowance for uncollectible EMS fees of \$3,239,431 have been recorded in the governmental activities. An allowance for uncollectible landfill tipping fees has been recorded in the business-type activities in the amount of \$67,860.

Note 4 - Restricted Assets

The County has recorded restricted cash and investments totaling \$21,239,651 in the governmental funds for the following:

Murrells Inlet Revitalization - MI 2020	\$ 35,704
Impact Fees	274,507
Bond Debt Service Reserve Funds	4,723,906
Restricted Bond Proceeds	<u>16,205,534</u>
	<u>\$ 21,239,651</u>

The County has recorded cash as restricted in the amount of \$6,350,149 in the Environmental Services Fund, as these funds are restricted for landfill closure and post closure care costs.

Note 5 - Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 2011, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 12,343	\$ --
Debt Service Fund	--	27,000
Capital Improvements Plan Projects Fund	27,000	--
Nonmajor Special Revenue Funds	725,674	604,930
Nonmajor Capital Projects Funds	--	<u>133,087</u>
	<u>\$ 765,017</u>	<u>\$ 765,017</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 6 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 22,366,803	\$ 350,970	\$ --	\$ 22,717,773
Construction in Progress	<u>3,085,350</u>	<u>7,069,081</u>	<u>(5,057,248)</u>	<u>5,097,183</u>
Total, not being Depreciated	<u>\$ 25,452,153</u>	<u>\$ 7,420,051</u>	<u>\$ (5,057,248)</u>	<u>\$ 27,814,956</u>
Capital Assets, being Depreciated:				
Improvements	\$ 23,644,895	\$ 2,701,602	\$ --	\$ 26,346,497
Buildings	51,138,489	1,603,596	--	52,742,085
Infrastructure	18,456,632	2,085,176	--	20,541,808
Software	80,700	--	--	80,700
Furniture & Fixtures	763,083	--	--	763,083
Machinery & Equipment	15,651,288	561,234	(61,830)	16,150,692
Automotive Equipment	<u>17,410,620</u>	<u>1,067,823</u>	<u>(344,850)</u>	<u>18,133,593</u>
Total, being Depreciated	<u>127,145,707</u>	<u>8,019,431</u>	<u>(406,680)</u>	<u>134,758,458</u>
Less Accumulated Depreciation for:				
Improvements	(9,889,793)	(1,495,569)	--	(11,385,362)
Buildings	(19,050,439)	(2,256,993)	--	(21,307,432)
Infrastructure	(3,944,447)	(551,608)	--	(4,496,055)
Software	(27,554)	(16,140)	--	(43,694)
Furniture & Fixtures	(318,088)	(49,444)	--	(367,532)
Machinery & Equipment	(11,766,786)	(1,078,681)	61,830	(12,783,637)
Automotive Equipment	<u>(12,952,592)</u>	<u>(1,145,975)</u>	<u>337,191</u>	<u>(13,761,376)</u>
Total Accumulated Depreciation	<u>(57,949,699)</u>	<u>(6,594,410)</u>	<u>399,021</u>	<u>(64,145,088)</u>
Total, being Depreciated, Net	<u>\$ 69,196,008</u>	<u>\$ 1,425,021</u>	<u>\$ (7,659)</u>	<u>\$ 70,613,370</u>
Total Governmental Activities, Net	<u>\$ 94,648,161</u>	<u>\$ 8,845,072</u>	<u>\$ (5,064,907)</u>	<u>\$ 98,428,326</u>

Construction in progress in the amount of \$5,057,248 was reclassified upon completion to improvements in the amount of \$2,122,836, buildings in the amount of \$1,359,667, and infrastructure in the amount of \$1,574,745. Assets totaling \$406,680 with accumulated depreciation of \$399,021 were sold for \$68,383 resulting in a gain on disposal of capital assets of \$60,724. There were no other capital asset disposals or capital assets donations. Capital outlay reported in the governmental funds statement of revenues, expenditures and changes in fund balances includes \$1,314,465 that did not meet criteria to be capitalized.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 6 - Capital Assets (continued)

Capital asset activity for the year ended June 30, 2011, was as follows for business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$ 740,718	\$ --	\$ --	\$ 740,718
Construction in Progress	139,671	405,358	(410,219)	134,810
Total, not being Depreciated	\$ 880,389	\$ 405,358	\$ (410,219)	\$ 875,528
Capital Assets, being Depreciated:				
Improvements	11,634,775	3,694,388	--	15,329,163
Buildings	401,271	6,806	--	408,077
Mining Rights	225,000	--	--	225,000
Software	70,623	--	--	70,623
Machinery & Equipment	5,763,891	193,045	(443,675)	5,513,261
Automotive Equipment	1,991,816	394,440	(14,116)	2,372,140
Total, being Depreciated	20,087,376	4,288,679	(457,791)	23,918,264
Less Accumulated Depreciation for:				
Improvements	(3,611,883)	(512,513)	--	(4,124,396)
Buildings	(147,942)	(20,405)	--	(168,347)
Mining Rights	(39,583)	(25,000)	--	(64,583)
Software	(16,479)	(14,125)	--	(30,604)
Machinery & Equipment	(3,316,989)	(522,757)	317,991	(3,521,755)
Automotive Equipment	(1,354,576)	(154,913)	14,116	(1,495,373)
Total Accumulated Depreciation	(8,487,452)	(1,249,713)	332,107	(9,405,058)
Total, being Depreciated, Net	\$ 11,599,924	\$ 3,038,966	\$ (125,684)	\$ 14,513,206
Total Business-Type Activities, Net	\$ 12,480,313	\$ 3,444,324	\$ (535,903)	\$ 15,388,734

Construction in progress in the amount of \$410,219 was reclassified upon completion to improvements. Assets totaling \$457,791 with accumulated depreciation of \$332,107 were sold for \$173,950 resulting in a gain on disposal of capital assets of \$48,266.

Depreciation expense for the year ended June 30, 2011, was charged to the following functions:

Governmental Activities:	
General Government	\$ 2,047,862
Public Safety	1,678,512
Public Works	813,263
Health and Welfare	234,313
Economic Development	1,054,942
Cultural and Recreation	765,518
Total Depreciation Expense - Governmental Activities	\$ 6,594,410
Business-Type Activities:	
Environmental Services	\$ 1,124,198
Stormwater Management Services	125,515
Total Depreciation Expense - Business-Type Activities	\$ 1,249,713

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2011

Note 6 - Capital Assets (continued)

Total assets purchased under capital leases with remaining liens are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Original Cost of Assets	\$ 8,376,680	\$ 4,515,247
Accumulated Depreciation	<u>(3,851,229)</u>	<u>(1,928,732)</u>
Net Book Value	<u>\$ 4,525,451</u>	<u>\$ 2,586,515</u>

Note 7 - Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 14,230,000	\$ --	\$ (1,130,000)	\$ 13,100,000	\$ 1,180,000
Installment Purchase Revenue Bonds	52,910,000	--	(1,705,000)	51,205,000	1,775,000
Plus: Unamortized Premium	867,620	--	(45,445)	822,175	(45,445)
Less: Unamortized Discount	(409,685)	--	21,100	(388,585)	21,100
Less: Deferred Refunding Costs	<u>(308,060)</u>	--	<u>18,121</u>	<u>(289,939)</u>	<u>18,121</u>
Net Bonds Payable	67,289,875	--	(2,841,224)	64,448,651	2,948,776
Loan (Energy Savings)	500,000	--	--	500,000	43,615
Capital Leases	6,071,967	5,371,374	(4,738,584)	6,704,757	1,454,348
Net OPEB Obligation	1,559,791	1,412,452	(279,786)	2,692,457	--
Compensated Absences	<u>1,365,793</u>	<u>1,373,080</u>	<u>(1,365,793)</u>	<u>1,373,080</u>	<u>1,304,426</u>
Totals	<u>\$ 76,787,426</u>	<u>\$ 8,156,906</u>	<u>\$ (9,225,387)</u>	<u>\$ 75,718,945</u>	<u>\$ 5,751,165</u>
Business-Type Activities					
Capital Leases	\$ 3,284,142	\$ 1,743,396	\$ (2,170,610)	\$ 2,856,928	\$ 643,496
Net OPEB Obligation	121,219	133,737	(32,928)	222,028	--
Compensated Absences	88,416	88,387	(88,416)	88,387	83,967
Landfill Closure/Postclosure	<u>5,916,622</u>	<u>491,230</u>	<u>(57,703)</u>	<u>6,350,149</u>	<u>69,700</u>
Totals	<u>\$ 9,410,399</u>	<u>\$ 2,456,750</u>	<u>\$ (2,349,657)</u>	<u>\$ 9,517,492</u>	<u>\$ 797,163</u>

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County issues general obligation bonds to provide funds for the acquisition, construction and improvement of capital facilities. General obligations bonds are ordinarily repaid with property tax revenues.

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

General Obligation Bonds of 1997 (Issued 8/5/97)

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Principal April 1</u>	<u>Interest October 1</u>	<u>Interest April 1</u>	<u>Total Annual Payments</u>
2012	4.90%	\$ 345,000	\$ <u>345,000</u>	\$ <u>8,452</u>	\$ <u>8,452</u>	\$ <u>361,904</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2011

Note 7 - Long-Term Debt (continued)

General Obligation Bonds of 2003A (Issued 9/1/03)

Fiscal Year	Interest Rate	Balance	Principal March 1	Interest September 1	Interest March 1	Total Annual Payments
2012	4.00%	\$ 12,755,000	\$ 835,000	\$ 284,647	\$ 284,647	\$ 1,404,294
2013	4.00%	11,920,000	865,000	267,947	267,947	1,400,894
2014	4.00%	11,055,000	900,000	250,647	250,647	1,401,294
2015	4.00%	10,155,000	940,000	232,647	232,647	1,405,294
2016	4.25%	9,215,000	980,000	213,847	213,847	1,407,694
2017-2021	4.25%-5.00%	8,235,000	5,590,000	732,131	732,131	7,054,262
2022-2023	5.00%	2,645,000	2,645,000	100,000	100,000	2,845,000
Totals			<u>\$ 12,755,000</u>	<u>\$ 2,081,866</u>	<u>\$ 2,081,866</u>	<u>\$ 16,918,732</u>

See Note 18 regarding refunding of the 2003A bonds subsequent to year-end.

Installment Purchase Revenue Bonds

The SCAGO Public Facilities Corporation for Georgetown County (the Corporation) Installment Purchase Revenue Bonds Refunding Issue 2009A was issued on December 1, 2009, in the face amount of \$23,725,000. In addition, the SCAGO Public Facilities Corporation for Georgetown County issued Installment Purchase Revenue Bonds Issue 2009B on the same date in the amount of \$29,185,000.

Both of the Installment Purchase Revenue Bond issues are subject to a County Facilities Purchase and Use Agreement, which details proportionate interests of the owners in certain rental payments to be made by the County under the terms of a Base Lease Agreement between the County and the Corporation. The County purchases incremental "shares" of the Capital Projects from the Corporation pursuant to the Purchase and Use Agreement, which obligates the County to make semiannual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the facilities, and program administration fees.

The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by County Council to pay the installment payments due in such fiscal year; however, the County would forfeit possession of the facilities for the remainder of the lease term.

Both the 2009A and 2009B bonds were issued to fund various capital projects and are secured with liens on the new County judicial center, the existing "old" County courthouse and administration facility, the County Detention facility, and the County library facility in Andrews. The 2009A bonds require semi-annual interest payments on June 1 and December 1 each year, along with an annual principal payment on December 1 each year. Final maturity on the bonds is on December 1, 2029. The 2009B bonds also require semi-annual interest payments on June 1 and December 1 each year, along with an annual principal payment on December 1 each year. The 2009B Issue is a taxable "Build America Bond" issue and as such is eligible for 35% interest credits from the U.S. Treasury. Interest rates and amounts reflected in the schedule below are net of the credits allowed. Final maturity on the bonds is on December 1, 2029.

The SCAGO Public Facilities Corporation for Georgetown County installment purchase revenue bonds are not a debt of the County, however, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

Annual debt service requirements to maturity for installment purchase revenue bonds outstanding at June 30, 2011, are as follows:

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 7 - Long-Term Debt (continued)

Installment Purchase Revenue Bonds Series 2009A Refunding (Issued 12/1/09)

Fiscal Year	Interest Rate	Balance	Principal December 1	Interest December 1	Interest June 1	Total Annual Payments
2012	5.00%	\$ 22,020,000	\$ 1,775,000	\$ 475,147	\$ 430,772	\$ 2,680,919
2013	5.00%	20,245,000	1,865,000	430,772	384,147	2,679,919
2014	2.25%	18,380,000	1,930,000	384,147	362,434	2,676,581
2015	5.125%	16,450,000	2,005,000	362,434	311,056	2,678,490
2016	3.125%	14,445,000	2,090,000	311,056	278,400	2,679,456
2017-2021	3.375%-5.00%	12,355,000	11,795,000	933,050	666,925	13,394,975
2022-2026	4.25%	560,000	460,000	22,275	12,500	494,775
2027-2030	4.25%-5.00%	100,000	100,000	10,000	7,500	117,500
Totals			<u>\$ 22,020,000</u>	<u>\$ 2,928,881</u>	<u>\$ 2,453,734</u>	<u>\$ 27,402,615</u>

Installment Purchase Revenue Bonds Series 2009B (Issued 12/1/09)

Fiscal Year	Interest Rate	Balance	Principal December 1	Net Interest December 1	Net Interest June 1	Total Annual Payments
2012	4.31%	\$ 29,185,000	\$ --	\$ 635,682	\$ 635,682	\$ 1,271,364
2013	4.31%	29,185,000	--	635,682	635,682	1,271,364
2014	4.31%	29,185,000	--	635,682	635,682	1,271,364
2015	4.31%	29,185,000	--	635,682	635,682	1,271,364
2016	4.31%	29,185,000	--	635,682	635,682	1,271,364
2017-2021	4.31%	29,185,000	--	3,178,410	3,178,410	6,356,820
2022-2026	4.31%	29,185,000	14,515,000	2,604,278	2,290,419	19,409,697
2027-2030	4.39%	17,950,000	14,670,000	822,108	500,285	15,992,393
Totals			<u>\$ 29,185,000</u>	<u>\$ 9,783,206</u>	<u>\$ 9,147,524</u>	<u>\$ 48,115,730</u>

Loan Obligation

In conjunction with an energy savings project, the County entered into a \$500,000 loan agreement on November 1, 2009, with the South Carolina Energy Office, Division of Insurance and Grant Services, State Budget and Control Board. The principal balance of the loan accrued interest at the rate of 3.0% per annum beginning on November 1, 2010, the date that the 'construction phase' was deemed to conclude. No interest accrued on funds drawn during the construction phase.

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

South Carolina Energy Office Loan (Issued 11/01/2009)

Fiscal Year	Interest Rate	Balance	Principal November 1	Interest November 1	Total Annual Payments
2012	3.00%	\$ 500,000	\$ 43,615	\$ 15,000	\$ 58,615
2013	3.00%	456,385	44,924	13,691	58,615
2014	3.00%	411,461	46,271	12,344	58,615
2015	3.00%	365,190	47,660	10,955	58,615
2016	3.00%	317,530	49,089	9,526	58,615
2017-2021	3.00%	268,441	268,441	24,634	293,075
Totals			<u>\$ 500,000</u>	<u>\$ 86,150</u>	<u>\$ 586,150</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2011

Note 7 - Long-Term Debt (continued)

Capital Leases

The County's governmental activities have twenty (20) lease purchase agreements and its business-type activities have twelve (12) lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

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

	Governmental Activities	Business-Type Activities	Total
FY2012	\$ 1,621,754	\$ 730,710	\$ 2,352,464
FY2013	1,486,959	628,374	2,115,333
FY2014	1,094,766	578,134	1,672,900
FY2015	836,370	368,106	1,204,476
FY2016	609,590	368,106	977,696
FY2017-FY2021	<u>1,728,784</u>	<u>466,785</u>	<u>2,195,569</u>
Total Minimum Lease Payments	7,378,223	3,140,215	10,518,438
Less: Amount Representing Interest	<u>(673,466)</u>	<u>(283,287)</u>	<u>(956,753)</u>
Totals	<u>\$ 6,704,757</u>	<u>\$ 2,856,928</u>	<u>\$ 9,561,685</u>

The annual requirements to amortize all debt outstanding, including capital leases, as of June 30, 2011, are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 4,452,963	\$ 2,945,887	\$ 7,398,850	\$ 643,496	\$ 87,214	\$ 730,710
2013	4,118,288	2,779,463	6,897,751	561,027	67,347	628,374
2014	3,863,112	2,639,508	6,502,620	527,571	50,563	578,134
2015	3,747,081	2,503,052	6,250,133	332,769	35,337	368,106
2016	3,666,886	2,359,883	6,026,769	343,301	24,804	368,105
2017-2021	19,271,428	9,556,487	28,827,915	448,764	18,022	466,786
2022-2026	17,620,000	5,129,472	22,749,472	-	-	-
2027-2030	14,770,000	1,339,893	16,109,893	-	-	-
Totals	<u>\$ 71,509,758</u>	<u>\$ 29,253,645</u>	<u>\$ 100,763,403</u>	<u>\$ 2,856,928</u>	<u>\$ 283,287</u>	<u>\$ 3,140,215</u>

The legal debt limit imposed by South Carolina statutes for issuance of general obligation debt without referendum is equal to eight per cent (8%) of the total assessed value of all taxable property in the County less currently outstanding general obligation debt that was issued without referendum. Based on the 2010 tax year assessed valuation of \$535,617,000, and outstanding general obligation bond debt at June 30, 2011, of \$13,100,000, the legal debt limit is approximately \$29,749,000.

Note 8 - Contingencies

As of June 30, 2011, actions have been alleged against the County in which it has denied liability. Any liability would be covered by the insurance Reserve Fund up to the policy limit. The outcome or the amount of recovery, if any, cannot be predicted with certainty; accordingly, no liability has been recorded.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 9 - Interfund Transfer Reconciliation

Operating transfers between the County's various funds are generally made to fund Council approved projects. Below is a summary of those interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,475,257	\$ 1,739,366
Law Enforcement Fund	1,998,000	625,000
Local Accommodations & Hospitality Tax Fund	--	2,512,000
Capital Improvement Plan Fund	517,000	--
Nonmajor Special Revenue Funds	129,366	731,362
Nonmajor Capital Projects Funds	1,732,400	--
Environmental Services Fund	--	74,295
Stormwater Management Fund	--	170,000
Totals	<u>\$ 5,852,023</u>	<u>\$ 5,852,023</u>

Note 10 - Economic Dependency

Georgetown County collects property taxes from five taxpayers which represents 4.40% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
International Paper Company	Paper Products	\$ 14,205,496
Santee Electric Coop Inc.	Electric Utility	3,552,880
Verizon South Inc.	Telecommunications	2,794,940
ArcelorMittal Georgetown Inc.	Steel Wire	1,772,300
Myrtle Beach National Golf, Inc.	Golf / Real Estate	1,231,725

Note 11 - Retirement Plans

Plan Description

County employees participate in either the South Carolina Police Officers Retirement System (PORS) or the South Carolina Retirement System (SCRS), depending on their particular duties. Both plans are administered by the South Carolina Retirement Systems and are classified as cost-sharing multiple-employer public employee retirement systems (PERS). Each plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefit provisions are established under authority of Title 9 of the South Carolina Code of Laws. The South Carolina Retirement Systems issue a Comprehensive Annual Financial Report which discloses detailed information regarding benefit provisions and actuarial information. That report is available to the public and may be obtained by writing to South Carolina Retirement Systems, Post Office Box 11960, Capitol Station, Columbia, South Carolina 29211-1960.

Funding Policy

Members of the PORS and SCRS are required to contribute 6.50 of their covered wages. The County is required to contribute at actuarially determined rates, currently 11.13% of PORS member wages and 9.24% of SCRS member wages. The contribution requirements of plan members and the County are established by the South Carolina Retirement Systems under authority of Title 9 of the South Carolina Code of Laws. The County's required contributions for retirement benefits to the PORS for the plan years ending June 30, 2011, 2010 and 2009 totaled \$1,065,074, \$998,276 and \$981,969, respectively. The County's required contributions for retirement benefits to the SCRS for the plan years ending June 30, 2011, 2010 and 2009 were \$959,277, \$971,999 and \$1,011,958, respectively. Actual contributions were equal to the required contributions for each year.

The County also contributes 0.20% and 0.15% of covered payroll for group life insurance benefits for PORS and SCRS members, respectively. In addition, the County contributes 0.20% for accidental death benefits for PORS members.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements
June 30, 2011

Note 12 - Post Employment Health Care Benefits

Plan Description

The County's defined benefit single-employer post-employment healthcare plan (the Plan) provides health insurance benefits to eligible retirees and their eligible dependents. Employees become eligible when the employee qualifies for retirement benefits under the South Carolina Retirement System and has at least 5 years of service with the County. Information regarding South Carolina Retirement System eligibility may be obtained from the Comprehensive Annual Financial Report of the Retirement System (see Note 11). The Plan is approved by policy of 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 has the right to unilaterally modify its payments toward retiree health care benefits. As of July 1, 2010, the actuarial measurement date for the fiscal year 2011 plan year, there were 651 covered participants, including 557 active employees, 79 retirees, and 15 spouses of retirees.

Stand alone financial reports are not prepared for the Plan.

Funding Policy

The County's Plan offers medical and dental insurance benefits to retirees and their spouses. Contributions are currently made on a pay-as-you-go basis according to the schedules below.

Group 1 includes present active employees who were hired before July 1, 2005, and current retirees. Group 2 includes present active employees who were hired on or after July 1, 2005.

Retirees can continue coverage for life. Covered spouses and beneficiaries can continue coverage for life after the death of the retiree.

Total monthly premiums for the 2011 calendar year are as follows:

	Pre-Medicare Eligible			Medicare Eligible		
	Retiree	Employer	Total	Retiree	Employer	Total
<u>Group 1</u>						
Less than 10 Years County Service						
Retiree Only Coverage	\$ 364.75	\$ --	\$ 364.75	\$ 383.26	\$ --	\$ 383.26
Retiree/Spouse Coverage	761.32	--	761.32	798.32	--	798.32
10 – 24 Years County Service						
Retiree Only Coverage	\$ 96.08	\$ 268.67	\$ 364.75	\$ 96.08	\$ 287.18	\$ 383.26
Retiree/Spouse Coverage	499.09	262.23	761.32	511.16	287.16	798.32
25 or More Years County Service						
Retiree Only Coverage	\$ 96.08	\$ 268.67	\$ 364.75	\$ 96.08	\$ 287.18	\$ 383.26
Retiree/Spouse Coverage	244.15	517.17	761.32	244.15	554.17	798.32
<u>Group 2</u>						
Less than 25 Years County Service						
Retiree Only Coverage	\$ 364.75	\$ --	\$ 364.75	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	761.32	--	761.32	N/A	N/A	N/A
25 or More Years County Service						
Retiree Only Coverage	\$ 96.08	\$ 268.67	\$ 364.75	\$ N/A	\$ N/A	\$ N/A
Retiree/Spouse Coverage	244.15	517.17	761.32	N/A	N/A	N/A

For Group 2 retirees, the County does not offer health insurance benefits once retirees become medicare eligible.

The County participates in the South Carolina health insurance plans and the stated retiree and employer premium breakdown above is consistent with that adopted by the State for State employees.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 12 - Post Employment Health Care Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment benefits (OPEB) cost 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on a level percent of payroll increasing annually at 3.0%.

The components of the annual OPEB cost, the amount actually contributed to the plan, and changes in the net OPEB obligation during the fiscal year ended June 30, 2011, were as follows:

Normal Cost	\$ 836,573
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	699,916
Expenses	<u>6,695</u>
Annual Required Contribution (ARC)	1,543,184
Interest on Net OPEB Obligation	67,240
ARC Adjustment	<u>(64,235)</u>
Annual OPEB Cost	1,546,189
Contributions Made	<u>(312,714)</u>
Increase in Net OPEB Obligation	1,233,475
Net OPEB Obligation – Beginning	<u>1,681,010</u>
Net OPEB Obligation – Ending	<u>\$ 2,914,485</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ended June 30, 2011, June 30, 2010, and June 30, 2009, were as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year Ended June 30, 2011	\$ 1,546,189	20.22%	\$ 2,914,485
Fiscal Year Ended June 30, 2010	\$ 1,115,200	24.43%	\$ 1,681,010
Fiscal Year Ended June 30, 2009	\$ 1,082,700	22.58%	\$ 838,226

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits (AAL) was \$18,316,446 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,316,446. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,282,391, and the ratio of the UAAL to the covered payroll was 95.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 valuation and the historical pattern of sharing of benefit costs between the employer and the 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.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 12 - Post Employment Health Care Benefits (continued)

For the July 1, 2010, actuarial valuation, the County used the Projected Unit Credit cost method. The actuarial assumptions included a 4.0% annual investment rate of return (net of administrative and investment related expenses) and an initial healthcare cost trend rate of 10.5% for pre-medicare eligible retirees and a 9.0% trend rate for medicare eligible retirees. The trend rate will decrease in 0.5% steps until it reaches 5.0% and will then remain level. The asset valuation method used is market value. The Plan's UAAL is being amortized as a level percentage of projected payroll costs over a thirty year period.

Actuarial calculations, in particular those regarding the assumed annual investment rate of return, were based on the fact that no assets have been set aside that are legally held exclusively for other post-employment benefits. If a trust or equivalent arrangement were set up for this purpose, the investment rate of return may be increased.

Note 13 - Commitments

The County had the following commitments represented by open purchase orders or other contractual agreements with vendors and service providers at June 30, 2011:

Governmental Activities

General Fund encumbrances	\$ 37,377
Law Enforcement Fund encumbrances	142,703
Capital Improvement Plan Projects Fund encumbrances	5,017,328
Other Governmental Funds encumbrances	<u>2,181,069</u>
Total	<u>\$ 7,378,477</u>

Business-Type Activities

Environmental Services Fund encumbrances	\$ 38,975
Stormwater Fund encumbrances	<u>47,263</u>
Total	<u>\$ 86,238</u>

Included in the encumbered amounts above for the Capital Improvement Plan Projects Fund are the following significant projects:

- Improvements to eight County recreational parks and facilities with total contractual commitments in the amount of \$3,943,962 to architects, engineers and contractors working on the projects. Construction plans are nearly complete and some of the site development contractors have been engaged.
- Information technology hardware and software upgrades for public safety with commitments to vendors and service providers in the amount of \$726,672. This project is expected to be complete in FY2012.
- Improvements to a marine complex with remaining commitments to contractors of \$253,434 to complete that project.

Included in the encumbered amounts above for other Governmental Funds are the following significant projects or purchases:

- Road paving projects with commitments in the amount of \$1,431,464 to engineers and paving contractors.
- Equipment purchases associated with the County's Capital Equipment Replacement Plan with open balances of \$710,532.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 14 - Landfill Closure & Postclosure Care Costs

The County operates a municipal solid waste landfill and a construction and demolition waste landfill. It also is responsible for a closed municipal solid waste landfill and a closed industrial waste landfill. Federal and State laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at closed landfill sites for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are recognized based on 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 liability for landfill closure and post closure care costs is based on the percentage of landfill capacity used to date applied to the estimated future costs to close the landfills and to maintain and monitor the landfills subsequent to their closure.

Changes in the County's estimated liability for closure and postclosure care costs during the year ended June 30, 2011, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Active MSW Landfill	\$ 3,606,329	\$ 388,542	\$ --	\$ 3,994,871
Active C&D Landfill	992,108	102,688	--	1,094,796
Closed MSW Landfill	1,158,485	--	(47,704)	1,110,781
Closed Maryville "Industrial" Landfill	<u>159,700</u>	<u>--</u>	<u>(9,999)</u>	<u>149,701</u>
Totals	<u>\$ 5,916,622</u>	<u>\$ 491,230</u>	<u>\$ (57,703)</u>	<u>\$ 6,350,149</u>

A summary of estimated remaining closure and postclosure care costs to be recognized for the County's current landfills follows:

	<u>Total Current Estimated Costs</u>	<u>Costs Recognized through 6/30/2011</u>	<u>Remaining Costs to be Recognized</u>	<u>Estimated Remaining Life</u>
Active MSW Landfill (Capacity Used to Date: 34.98%)	\$ 11,420,094	\$ 3,994,871	\$ 7,425,223	16 Years
Active C&D Landfill (Capacity Used to Date: 87.01%)	1,258,229	1,094,796	163,433	2 Years
Closed MSW Landfill (net)	1,110,781	1,110,781	--	None
Closed Maryville "Industrial" Landfill (net)	<u>149,701</u>	<u>149,701</u>	<u>--</u>	None
Totals	<u>\$ 13,938,805</u>	<u>\$ 6,350,149</u>	<u>\$ 7,588,656</u>	

The total estimated closure and postclosure care costs of \$13,938,805 is based on the amount that would be paid if all equipment, facilities, and services required to close, maintain and monitor the active and closed landfills were paid out as of June 30, 2011. However, the estimated future costs of landfill closure and postclosure care, as determined by consulting engineers, are subject to changes such as the effects of inflation, revisions in laws and regulations, changes in technology, actual sequence of landfill development and closure, and other variables. It is anticipated that future inflation costs will be financed in part from earnings on investments. Other unanticipated costs may need to be covered by modifying charges to future landfill users, taxpayers, or both.

The County is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the County is the local government financial test. At June 30, 2011, the County is in compliance with federal and state financial assurance requirements. Funds have been accumulated in the amount of \$6,350,149 to cover future costs of landfill closure and postclosure care. This amount, which is equal to the portion of costs recognized to date, is reported in the financial statements as restricted cash and investments.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 15 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to protect against these risks of loss, the County pays 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 risks. The County has not had a significant reduction in insurance coverage in the last year and has not had any material settled claims in excess of coverage in the last three years.

Workers compensation losses are insured through the South Carolina Workers Compensation Trust (SCMIT), a self-sustaining public entity risk pool. The pool pays workers compensation losses and provides medical case management services for injured employees through a third party administrator.

The County is self insured for unemployment benefits. Claims are administered by the South Carolina Employment Security Commission and then reimbursed by the County. No liability has been accrued at year-end for potential claims, as they are expected to be minimal.

Note 16 - Fund Balance Reservations and Designations

Net assets that were restricted at year-end as a result of enabling legislation in the government-wide statements are as follows:

Law Enforcement Fund	\$ 1,715,453
Debt Service Fund	9,928,320
Nonmajor Governmental Funds	
County Fire (District I)	\$ 268,414
Midway Fire (District II)	1,087,993
Higher Education	80,563
Bureau of Aging Services	604,047
Economic Development	452,980
Economic Development Marketing	94,203
Special Economic Development Agreement	4,039,198
Road Improvement Fund	4,505,878
Choppee Regional Center	49,641
Bike the Neck	77,031

The following individual nonmajor governmental funds had deficit fund balances at June 30, 2011:

Public Works Grants Fund	\$ (54,660)
Economic Development Grants Fund	(2,467)

Note 17 - Reconciliation of Government-wide and Fund Financial Statements

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

The governmental funds 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 governmental funds." The details of this \$98,428,326 are as follows:

Capital Assets	\$ 162,573,414
Accumulated Depreciation	<u>(64,145,088)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 98,428,326</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 17 - Reconciliation of Government-wide and Fund Financial Statements (continued)

Another element of that reconciliation is the "other long-term assets, such as property taxes receivable, court fines receivable, and ambulance fees receivable are not available to pay for current period expenditures and, therefore, are deferred or not recognized in the governmental funds." The details of this \$1,808,313 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 782,418
Ambulance Fees deferred in Governmental Fund Statement	308,374
Court Fines deferred in Governmental Fund Statement	<u>717,521</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 1,808,313</u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable (net of premiums, discounts and deferred refunding costs), capital leases, net OPEB obligation, compensated absences and accrued interest, are not due and payable in the current period or are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds." The details of the (\$76,108,074) are as follows:

G.O. Bonds Payable	\$ (13,100,000)
Installment Purchase Revenue Bonds Payable	(51,205,000)
Less: Deferred Refunding Costs (to be amortized over life of refunded debt)	289,939
Plus: Issuance Premium (to be amortized as interest expense)	(822,175)
Less: Issuance Discount (to be amortized as interest expense)	388,585
Accrued Interest Payable	(389,129)
Loan Payable	(500,000)
Capital Leases Payable	(6,704,757)
Net OPEB Obligation	(2,692,457)
Compensated Absences	<u>(1,373,080)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ (76,108,074)</u>

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

The governmental funds 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 asset acquisition costs 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 \$3,787,824 difference are as follows:

Capital Assets Acquisition Costs	\$ 10,382,234
Depreciation Expense	<u>(6,594,410)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,787,824</u>

Another element of that reconciliation explains that "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 current financial resources, are not reported as revenues in the governmental funds." The details of this \$24,523 difference are as follows:

Property Taxes	\$ (28,074)
Ambulance Fees	(65,949)
Police Fines	<u>118,546</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 24,523</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

Note 17 - Reconciliation of Government-wide and Fund Financial Statements (continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, loans and 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 full amount 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 \$2,202,210 are as follows:

Debt Issued or Incurred:	
Issuance of Lease Purchase	\$ (1,843,726)
Principal Repayments:	
General Obligation Debt	1,130,000
Installment Purchase Revenue Debt	1,705,000
Capital Lease	<u>1,210,936</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,202,210</u>

Another element of that reconciliation states that "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." The details of this (\$56,548) difference are as follows:

Compensated Absences	\$ (7,287)
Accrued Interest	(5,073)
Amortization of Issuance Costs	(50,412)
Amortization of Deferred Bond Refunding Costs	(18,121)
Amortization of Bond Premium	45,445
Amortization of Bond Discount	<u>(21,100)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (56,548)</u>

Note 18 - Subsequent Event

On October 11, 2011, the County, in order to take advantage of reduced interest rates, issued general obligation bonds in the par amount of \$11,140,000 to refund the Series 2003 general obligation bonds that were outstanding on June 30, 2010. The refunding is an "advance refunding" with all proceeds in excess of issuance costs deposited into a trust escrow account from which the trustee will make payments on the refunded bonds as they come due. Interest rates on the refunding bonds range from 2.0 to 4.0 percent.

Required Supplementary Information

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Schedule of Funding Progress
Post-Employment Healthcare Plan
Year Ended June 30, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
July 1, 2010	\$ -	\$ 11,337,811	\$ 11,337,811	0.00%	\$ 17,983,000	63.05%
July 1, 2008	\$ -	\$ 18,316,446	\$ 18,316,446	0.00%	\$ 19,282,391	94.99%

Fiscal year 2009 was the year of implementation of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions," and the County elected to implement the requirements of this statement prospectively and only has an actuarial valuation performed every two years; therefore, comparative data is only available for one prior valuation. Additional trend information will be presented as new actuarial valuations are performed in future years.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 10,860,000	\$ 10,860,000	\$ 11,108,677	\$ 248,677
Vehicle taxes	573,000	573,000	555,116	(17,884)
Delinquent property taxes	250,000	250,000	210,073	(39,927)
Payments in lieu of taxes	21,000	21,000	115,156	94,156
Homestead reimbursement	260,000	260,000	286,885	26,885
Inventory replacement	86,000	86,000	85,461	(539)
Motor carrier	30,000	30,000	25,041	(4,959)
Manufacturer reimbursements	170,000	170,000	183,878	13,878
Tax penalties	120,000	120,000	113,640	(6,360)
	<u>12,370,000</u>	<u>12,370,000</u>	<u>12,683,927</u>	<u>313,927</u>
Fees, licenses and permits				
Building permits	540,000	540,000	606,207	66,207
Vendor permits	2,000	2,000	3,400	1,400
Temporary zoning fees	500	500	6,550	6,050
Contractor registrations	120,000	120,000	111,577	(8,423)
Street sign fees	12,000	12,000	18,860	6,860
Hazardous chemicals filing fees	2,500	2,500	4,283	1,783
Mobile home title retirement fees	1,500	1,500	1,100	(400)
Mobile home license fees	1,500	1,500	1,855	355
Recording fees	180,000	180,000	159,885	(20,115)
Ambulance fees	1,820,000	1,820,000	1,812,264	(7,736)
Health department fees	26,000	26,000	22,616	(3,384)
Planning and zoning fees	40,000	40,000	58,075	18,075
Court fees	270,000	270,000	276,351	6,351
Documentary stamps	350,000	350,000	374,425	24,425
Bond escheatments	2,000	2,000	2,438	438
Delinquent tax fees	370,000	370,000	365,238	(4,762)
Community alert network fees	8,225	8,225	8,225	-
Civil fees	90,000	90,000	86,832	(3,168)
Coroner fees	200	200	-	(200)
Magistrate costs	25,000	25,000	17,257	(7,743)
Estate fees	120,000	120,000	122,287	2,287
Probate court fees	12,000	12,000	13,188	1,188
Marriage license fees	13,000	13,000	14,480	1,480
Bad check fees	15,000	15,000	18,655	3,655
Photocopy fees	40,000	40,000	59,196	19,196
Certifications	7,000	7,000	7,858	858
Probate court publications	10,000	10,000	9,600	(400)
Master in Equity fees	200,000	200,000	173,000	(27,000)
Encroachment permit fees	1,000	1,000	1,900	900
Pawleys Island board of appeals fees	1,000	1,000	19	(981)
Pawleys Island building & zoning fees	10,000	10,000	9,953	(47)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Fees, licenses and permits (continued)				
Andrews permit fees	-	-	11,972	11,972
P&R facility rental fees	10,000	10,000	7,481	(2,519)
P&R program fees	54,000	54,000	34,103	(19,897)
P&R baseball league fees	5,100	5,100	-	(5,100)
Late fees	3,000	3,000	11,475	8,475
Airport fuel sales	10,000	10,000	10,714	714
EMS franchise fees	100	100	-	(100)
Cable franchise fees	320,000	320,000	346,446	26,446
Utility franchise fees	750,000	750,000	664,724	(85,276)
Multi-county park fees	2,000	2,000	2,033	33
GIS map sales	4,000	4,000	6,701	2,701
Pawleys Island magistrate fees	5,100	5,100	5,400	300
Andrews magistrate fees	20,400	20,400	20,400	-
	<u>5,474,125</u>	<u>5,474,125</u>	<u>5,489,023</u>	<u>14,898</u>
Fines and forfeitures				
Magistrate fines	100,000	100,000	129,425	29,425
Library fines	25,000	25,000	16,750	(8,250)
	<u>125,000</u>	<u>125,000</u>	<u>146,175</u>	<u>21,175</u>
Use of money and property				
Investment earnings	150,000	150,000	48,056	(101,944)
Property rent	62,000	62,000	62,454	454
Airport misc sales and rent	24,000	24,000	23,906	(94)
Corporate hangar rent	24,000	24,000	23,877	(123)
Non-corporate hangar rent	67,200	67,200	67,700	500
Garage rent	14,800	14,800	11,780	(3,020)
	<u>342,000</u>	<u>342,000</u>	<u>237,773</u>	<u>(104,227)</u>
Intergovernmental				
Local government fund	2,220,000	2,220,000	2,130,214	(89,786)
Mini bottle tax	98,000	98,000	94,562	(3,438)
DSS - service maintenance	40,000	40,000	61,374	21,374
Veterans affairs	5,500	5,500	5,267	(233)
Tax supplies	1,700	1,700	-	(1,700)
Reimb election expenditures	49,400	49,400	36,237	(13,163)
Refuge revenue sharing	13,000	13,000	15,147	2,147
Library support	60,000	60,000	60,000	-
Accommodations tax	44,000	44,000	37,650	(6,350)
Salary supplement for elected officials	6,300	6,300	6,300	-
Other state revenue	2,000	2,000	57,534	55,534
	<u>2,539,900</u>	<u>2,539,900</u>	<u>2,504,285</u>	<u>(35,615)</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Grants				
Emergency preparedness	22,300	22,300	17,092	(5,208)
Lottery	43,478	43,478	-	(43,478)
Miscellaneous	-	-	310	310
	<u>65,778</u>	<u>65,778</u>	<u>17,402</u>	<u>(48,376)</u>
Other				
P&R food sales at Howard facility	1,000	1,000	-	(1,000)
Tournament revenues	-	-	2,050	2,050
Profit on park pass sales	4,000	4,000	4,325	325
Workers compensation receipts	947	947	-	(947)
Escheated taxes	10,000	10,000	(8,851)	(18,851)
Insurance claims reimbursements	10,000	10,000	13,878	3,878
Salary supplement - library	7,000	7,000	8,657	1,657
Contributions and donations	-	9,000	9,000	-
Miscellaneous	60,000	60,000	48,184	(11,816)
	<u>92,947</u>	<u>101,947</u>	<u>77,243</u>	<u>(24,704)</u>
Total Revenues	\$ 21,009,750	\$ 21,018,750	\$ 21,155,828	\$ 137,078
Expenditures				
General government				
County council				
Current				
Personal services	\$ 171,200	\$ 171,200	\$ 167,439	\$ 3,761
Operations and maintenance	41,100	46,175	38,923	7,252
	<u>212,300</u>	<u>217,375</u>	<u>206,362</u>	<u>11,013</u>
Administration				
Current				
Personal services	194,650	196,549	196,548	1
Operations and maintenance	20,445	18,546	18,043	503
	<u>215,095</u>	<u>215,095</u>	<u>214,591</u>	<u>504</u>
Contribution agencies				
Current				
Operations and maintenance	218,700	218,702	218,701	1
	<u>218,700</u>	<u>218,702</u>	<u>218,701</u>	<u>1</u>
Finance				
Current				
Personal services	495,300	475,300	470,481	4,819
Operations and maintenance	32,090	33,440	27,760	5,680
Capital outlay	-	10,650	9,715	935
	<u>527,390</u>	<u>519,390</u>	<u>507,956</u>	<u>11,434</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Purchasing				
Current				
Personal services	141,800	141,800	139,051	2,749
Operations and maintenance	11,385	11,385	9,895	1,490
	<u>153,185</u>	<u>153,185</u>	<u>148,946</u>	<u>4,239</u>
Personnel				
Current				
Personal services	264,800	265,778	265,777	1
Operations and maintenance	19,280	18,902	14,535	4,367
	<u>284,080</u>	<u>284,680</u>	<u>280,312</u>	<u>4,368</u>
Master-In-Equity				
Current				
Personal services	54,100	54,100	53,667	433
Operations and maintenance	500	500	400	100
	<u>54,600</u>	<u>54,600</u>	<u>54,067</u>	<u>533</u>
Management information services				
Current				
Personal services	588,650	598,750	575,263	23,487
Operations and maintenance	608,307	608,651	568,006	40,645
Capital outlay	-	25,676	25,676	-
	<u>1,196,957</u>	<u>1,233,077</u>	<u>1,168,945</u>	<u>64,132</u>
Courts				
Current				
Personal services	100,080	100,080	88,974	11,106
Operations and maintenance	107,851	95,251	87,194	8,057
	<u>207,931</u>	<u>195,331</u>	<u>176,168</u>	<u>19,163</u>
Solicitor				
Current				
Operations and maintenance	859,596	859,596	859,491	105
	<u>859,596</u>	<u>859,596</u>	<u>859,491</u>	<u>105</u>
Probate court				
Current				
Personal services	224,900	224,900	224,246	654
Operations and maintenance	23,590	23,590	19,955	3,635
	<u>248,490</u>	<u>248,490</u>	<u>244,201</u>	<u>4,289</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Summary court				
Current				
Personal services	790,920	796,560	796,559	1
Operations and maintenance	136,122	141,129	140,108	1,021
Debt service				
Lease principal	3,137	3,492	3,492	-
Lease interest	2,099	2,338	2,338	-
	<u>932,278</u>	<u>943,519</u>	<u>942,497</u>	<u>1,022</u>
Auditor field appraisers				
Current				
Personal services	69,400	69,406	69,404	2
Operations and maintenance	2,557	2,551	1,803	748
	<u>71,957</u>	<u>71,957</u>	<u>71,207</u>	<u>750</u>
Auditor				
Current				
Personal services	203,000	203,000	197,907	5,093
Operations and maintenance	25,550	25,550	21,266	4,284
	<u>228,550</u>	<u>228,550</u>	<u>219,173</u>	<u>9,377</u>
GIS				
Current				
Personal services	109,350	109,350	109,172	178
Operations and maintenance	5,385	5,385	4,780	605
	<u>114,735</u>	<u>114,735</u>	<u>113,952</u>	<u>783</u>
Assessor				
Current				
Personal services	468,150	441,350	434,865	6,485
Operations and maintenance	69,479	90,044	79,333	10,711
	<u>537,629</u>	<u>531,394</u>	<u>514,198</u>	<u>17,196</u>
Treasurer				
Current				
Personal services	241,300	255,342	254,327	1,015
Operations and maintenance	103,003	108,225	108,081	144
	<u>344,303</u>	<u>363,567</u>	<u>362,408</u>	<u>1,159</u>
Delinquent tax collector				
Current				
Personal services	107,350	108,843	108,840	3
Operations and maintenance	97,173	108,986	108,030	956
	<u>204,523</u>	<u>217,829</u>	<u>216,870</u>	<u>959</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Building				
Current				
Personal services	334,600	334,600	334,254	346
Operations and maintenance	54,392	54,392	50,968	3,424
	<u>388,992</u>	<u>388,992</u>	<u>385,222</u>	<u>3,770</u>
Registration & election				
Current				
Personal services	108,674	147,764	145,124	2,640
Operations and maintenance	124,563	58,141	52,326	5,815
Debt service				
Lease principal	536	597	597	-
Lease interest	359	400	400	-
	<u>234,132</u>	<u>206,902</u>	<u>198,447</u>	<u>8,455</u>
Planning & zoning				
Current				
Personal services	393,500	359,500	355,182	4,318
Operations and maintenance	33,103	33,103	22,986	10,117
	<u>426,603</u>	<u>392,603</u>	<u>378,168</u>	<u>14,435</u>
Grants				
Current				
Operations and maintenance	9,400	9,400	9,137	263
	<u>9,400</u>	<u>9,400</u>	<u>9,137</u>	<u>263</u>
Facility services				
Current				
Personal services	324,950	316,356	316,355	1
Operations and maintenance	234,543	277,196	276,712	484
Debt service				
Lease principal	20,973	23,355	23,355	-
Lease interest	14,033	15,629	15,629	-
	<u>594,499</u>	<u>632,536</u>	<u>632,051</u>	<u>485</u>
Judicial facility management				
Current				
Personal services	92,500	92,159	91,932	227
Operations and maintenance	189,990	167,640	166,747	893
Debt service				
Lease principal	3,332	3,709	3,709	-
Lease interest	2,229	2,483	2,483	-
	<u>288,051</u>	<u>265,991</u>	<u>264,871</u>	<u>1,120</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Clerk of court administration				
Current				
Personal services	558,300	558,300	491,712	66,588
Operations and maintenance	34,470	34,670	31,198	3,472
	<u>592,770</u>	<u>592,970</u>	<u>522,910</u>	<u>70,060</u>
Legal				
Current				
Personal services	89,300	89,300	89,177	123
Operations and maintenance	29,450	29,450	18,299	11,151
	<u>118,750</u>	<u>118,750</u>	<u>107,476</u>	<u>11,274</u>
Clerk of court - family court				
Current				
Personal services	235,000	235,000	213,865	21,135
Operations and maintenance	49,875	49,875	43,890	5,985
	<u>284,875</u>	<u>284,875</u>	<u>257,755</u>	<u>27,120</u>
Register of deeds				
Current				
Personal services	174,500	174,908	174,905	3
Operations and maintenance	93,256	92,848	89,852	2,996
	<u>267,756</u>	<u>267,756</u>	<u>264,757</u>	<u>2,999</u>
Vehicle maintenance				
Current				
Operations and maintenance	43,615	43,615	43,450	165
	<u>43,615</u>	<u>43,615</u>	<u>43,450</u>	<u>165</u>
Delegation				
Current				
Personal services	14,000	14,000	13,829	171
Operations and maintenance	1,050	1,050	818	232
	<u>15,050</u>	<u>15,050</u>	<u>14,647</u>	<u>403</u>
Nondepartmental				
Current				
Personal services	1,307,900	1,266,688	1,266,485	203
Operations and maintenance	990,125	1,128,598	974,252	154,346
Capital outlay	-	350,970	350,969	1
Debt service				
Lease principal	858	21,500	21,500	-
Lease interest	574	14,388	14,388	-
	<u>2,299,457</u>	<u>2,782,144</u>	<u>2,627,594</u>	<u>154,550</u>
Total general government	12,176,249	12,672,656	12,226,530	446,126

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety				
Coroner				
Current				
Personal services	63,900	63,900	63,455	445
Operations and maintenance	120,651	98,786	87,434	11,352
	<u>184,551</u>	<u>162,686</u>	<u>150,889</u>	<u>11,797</u>
Emergency preparedness				
Current				
Personal services	101,900	101,900	101,460	440
Operations and maintenance	28,298	31,554	30,633	921
	<u>130,198</u>	<u>133,454</u>	<u>132,093</u>	<u>1,361</u>
Emergency Deep Creek facility				
Current				
Operations and maintenance	18,726	16,318	15,511	807
	<u>18,726</u>	<u>16,318</u>	<u>15,511</u>	<u>807</u>
Emergency services administration				
Current				
Personal services	40,000	40,000	39,525	475
Operations and maintenance	20,233	21,499	21,319	180
	<u>60,233</u>	<u>61,499</u>	<u>60,844</u>	<u>655</u>
County emergency medical services				
Current				
Personal services	1,592,300	1,695,322	1,695,319	3
Operations and maintenance	606,046	599,723	599,544	179
Debt service				
Lease principal	1,247	1,384	1,384	-
Lease interest	830	928	928	-
	<u>2,200,423</u>	<u>2,297,357</u>	<u>2,297,175</u>	<u>182</u>
Midway emergency medical services				
Current				
Personal services	350,400	361,207	361,203	4
Operations and maintenance	129,515	132,585	132,000	585
Debt service				
Lease principal	230	255	255	-
Lease interest	153	171	171	-
	<u>480,298</u>	<u>494,218</u>	<u>493,629</u>	<u>589</u>
Total public safety	3,074,429	3,165,532	3,150,141	15,391

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public works				
Public works crew				
Current				
Personal services	935,800	935,800	897,232	38,568
Operations and maintenance	608,114	594,239	568,720	25,519
Capital outlay	21,307	21,307	18,288	3,019
Debt service				
Lease principal	789	879	879	-
Lease interest	527	587	587	-
	<u>1,566,537</u>	<u>1,552,812</u>	<u>1,485,706</u>	<u>67,106</u>
Public services administration				
Current				
Personal services	259,900	259,900	230,810	29,090
Operations and maintenance	36,766	55,466	39,142	16,324
	<u>296,666</u>	<u>315,366</u>	<u>269,952</u>	<u>45,414</u>
Total public works	1,863,203	1,868,178	1,755,658	112,520
Health & welfare				
S.C. Department of Social Services				
Current				
Operations and maintenance	54,977	57,646	56,487	1,159
Debt service				
Lease principal	5,298	5,900	5,900	-
Lease interest	3,545	3,948	3,948	-
	<u>63,820</u>	<u>67,494</u>	<u>66,335</u>	<u>1,159</u>
S.C. Health Department				
Current				
Operations and maintenance	44,090	49,856	49,821	35
Debt service				
Lease principal	1,233	1,373	1,373	-
Lease interest	824	918	918	-
	<u>46,147</u>	<u>52,147</u>	<u>52,112</u>	<u>35</u>
Veteran affairs				
Current				
Personal services	76,600	84,634	84,631	3
Operations and maintenance	10,085	10,360	10,283	77
Debt service				
Lease principal	537	597	597	-
Lease interest	358	400	400	-
	<u>87,580</u>	<u>95,991</u>	<u>95,911</u>	<u>80</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Health & welfare (continued)				
Indigent hospital care				
Current				
Operations and maintenance	220,021	220,021	220,021	-
	<u>220,021</u>	<u>220,021</u>	<u>220,021</u>	<u>-</u>
Alcohol & drug abuse				
Current				
Operations and maintenance	135,000	135,000	131,562	3,438
	<u>135,000</u>	<u>135,000</u>	<u>131,562</u>	<u>3,438</u>
Choppee one-stop				
Current				
Operations and maintenance	66,285	79,461	79,254	207
Debt service				
Lease principal	4,269	5,313	5,313	-
Lease interest	2,856	3,555	3,555	-
	<u>73,410</u>	<u>88,329</u>	<u>88,122</u>	<u>207</u>
Total health & welfare	625,978	658,982	654,063	4,919
Economic development				
Waccamaw regional planning				
Current				
Operations and maintenance	76,851	76,851	76,850	1
	<u>76,851</u>	<u>76,851</u>	<u>76,850</u>	<u>1</u>
Airport commission				
Current				
Personal services	42,000	42,309	42,308	1
Operations and maintenance	126,802	107,822	102,630	5,192
Capital outlay	14,000	49,989	38,612	11,377
	<u>182,802</u>	<u>200,120</u>	<u>183,550</u>	<u>16,570</u>
Clemson extension				
Current				
Operations and maintenance	5,650	6,413	6,403	10
Debt service				
Lease principal	602	670	670	-
Lease interest	403	449	449	-
	<u>6,655</u>	<u>7,532</u>	<u>7,522</u>	<u>10</u>
Total economic development	266,308	284,503	267,922	16,581

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation				
Library				
Current				
Personal services	935,330	935,330	917,677	17,653
Operations and maintenance	266,707	275,700	275,293	407
Debt service				
Lease principal	12,574	14,002	14,002	-
Lease interest	8,413	9,370	9,370	-
	<u>1,223,024</u>	<u>1,234,402</u>	<u>1,216,342</u>	<u>18,060</u>
Library state aid				
Current				
Personal services	1,854	1,843	1,843	-
Operations and maintenance	58,146	58,159	58,157	2
	<u>60,000</u>	<u>60,002</u>	<u>60,000</u>	<u>2</u>
Library lottery funds				
Current				
Operations and maintenance	43,478	43,478	-	43,478
	<u>43,478</u>	<u>43,478</u>	<u>-</u>	<u>43,478</u>
CAC Marine Complex				
Current				
Personal services	19,100	19,100	18,011	1,089
Operations and maintenance	21,600	25,048	21,157	3,891
Capital outlay	6,500	6,500	5,955	545
	<u>47,200</u>	<u>50,648</u>	<u>45,123</u>	<u>5,525</u>
Recreation				
Current				
Personal services	469,350	457,691	457,690	1
Operations and maintenance	558,738	569,587	569,284	303
Capital outlay	-	32,531	32,531	-
Debt service				
Lease principal	17,382	19,358	19,358	-
Lease interest	11,632	12,953	12,953	-
	<u>1,057,102</u>	<u>1,092,120</u>	<u>1,091,816</u>	<u>304</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture & recreation (continued)				
Park maintenance				
Current				
Personal services	277,375	277,375	267,670	9,705
Operations and maintenance	447,654	459,820	444,864	14,956
Capital outlay	11,000	9,834	9,185	649
	<u>736,029</u>	<u>747,029</u>	<u>721,719</u>	<u>25,310</u>
Planning/capital projects				
Capital outlay	-	7,863	5,829	2,034
	<u>-</u>	<u>7,863</u>	<u>5,829</u>	<u>2,034</u>
Total culture & recreation	3,166,833	3,235,542	3,140,829	94,713
Total Expenditures	\$ 21,173,000	\$ 21,885,393	\$ 21,195,143	\$ 690,250
Excess (Deficiency) of Revenues Over Expenditures	(163,250)	(866,643)	(39,315)	827,328
Other Financing Sources (Uses)				
Proceeds from sale of assets	50,000	50,000	12,529	(37,471)
Transfers in	1,343,250	1,377,545	1,475,257	97,712
Transfers out	(1,731,000)	(1,731,000)	(1,739,366)	(8,366)
Total Other Financing Sources (Uses)	(337,750)	(303,455)	(251,580)	51,875
Net Change in Fund Balance	(501,000)	(1,170,098)	(290,895)	879,203
Fund Balance - Beginning of Year	10,409,906	10,409,906	10,409,906	-
Fund Balance - End of Year	\$ 9,908,906	\$ 9,239,808	\$ 10,119,011	\$ 879,203

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property taxes	\$ 6,970,000	\$ 6,970,000	\$ 7,099,942	\$ 129,942
Vehicle taxes	354,000	354,000	355,173	1,173
Delinquent property taxes	148,000	148,000	134,245	(13,755)
Payments in lieu of taxes	15,700	15,700	72,751	57,051
Homestead reimbursement	167,000	167,000	183,363	16,363
Motor carrier	18,000	18,000	16,023	(1,977)
Manufacturer reimbursements	109,000	109,000	117,522	8,522
Tax penalties	73,000	73,000	72,648	(352)
	<u>7,854,700</u>	<u>7,854,700</u>	<u>8,051,667</u>	<u>196,967</u>
Fees, licenses and permits				
Miscellaneous fees	20,000	20,000	21,965	1,965
Photocopy fees	1,200	1,200	727	(473)
Multi-county park fees	1,300	1,300	1,299	(1)
Georgetown detention center fees	160,000	160,000	168,953	8,953
Andrews/Pawleys Island detention center fees	50,000	50,000	66,510	16,510
	<u>232,500</u>	<u>232,500</u>	<u>259,454</u>	<u>26,954</u>
Fines and forfeitures				
Sex offender fees	8,000	8,000	8,000	-
Traffic fines	555,000	555,000	468,631	(86,369)
	<u>563,000</u>	<u>563,000</u>	<u>476,631</u>	<u>(86,369)</u>
Use of money and property				
Investment earnings	18,000	18,000	7,710	(10,290)
	<u>18,000</u>	<u>18,000</u>	<u>7,710</u>	<u>(10,290)</u>
Intergovernmental				
Salary supplement for elected officials	1,575	1,575	1,575	-
Detention center fees - federal detainees	215,000	215,000	208,746	(6,254)
	<u>216,575</u>	<u>216,575</u>	<u>210,321</u>	<u>(6,254)</u>
Grants				
School district SRO reimbursement	59,700	59,700	54,244	(5,456)
Federal	10,000	10,000	-	(10,000)
	<u>69,700</u>	<u>69,700</u>	<u>54,244</u>	<u>(15,456)</u>
Other				
Telephone usage	35,000	35,000	31,465	(3,535)
Workers compensation receipts	2,000	2,000	2,001	1
Inmate per-diem	3,500	3,500	6,175	2,675

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues (continued)				
Other (continued)				
Inmate work release program	100	100	-	(100)
Insurance claims reimbursements	5,000	5,000	66,085	61,085
Contributions & donations	200	200	200	-
Miscellaneous	1,725	1,725	3,222	1,497
	<u>47,525</u>	<u>47,525</u>	<u>109,148</u>	<u>61,623</u>
Total Revenues	\$ 9,002,000	\$ 9,002,000	\$ 9,169,175	\$ 167,175
Expenditures				
Public safety				
Sheriff				
Current				
Personal services	\$ 3,982,300	\$ 3,995,300	\$ 3,963,492	\$ 31,808
Operations and maintenance	1,743,493	1,710,077	1,620,144	89,933
Capital outlay	140,000	148,000	24,797	123,203
Debt service				
Lease principal	3,324	3,701	3,701	-
Lease interest	2,223	2,476	2,476	-
	<u>5,871,340</u>	<u>5,859,554</u>	<u>5,614,610</u>	<u>244,944</u>
E911 Communications				
Current				
Personal services	696,640	722,624	722,620	4
Operations and maintenance	33,633	32,435	31,333	1,102
	<u>730,273</u>	<u>755,059</u>	<u>753,953</u>	<u>1,106</u>
Judicial center				
Current				
Personal services	586,100	586,100	581,084	5,016
Operations and maintenance	36,550	36,550	19,712	16,838
	<u>622,650</u>	<u>622,650</u>	<u>600,796</u>	<u>21,854</u>
Detention center				
Current				
Personal services	1,899,000	1,899,000	1,770,388	128,612
Operations and maintenance	1,237,400	1,225,463	1,199,154	26,309
Capital outlay	20,000	27,500	7,815	19,685
Debt service				
Lease principal	23,394	26,053	26,052	1
Lease interest	15,655	17,433	17,433	-
	<u>3,195,449</u>	<u>3,195,449</u>	<u>3,020,842</u>	<u>174,607</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Results	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
School District SRO's				
Current				
Personal services	58,400	57,792	53,622	4,170
Operations and maintenance	1,300	1,908	1,907	1
	<u>59,700</u>	<u>59,700</u>	<u>55,529</u>	<u>4,171</u>
Animal control				
Current				
Personal services	67,200	67,602	67,600	2
Operations and maintenance	98,388	97,986	96,244	1,742
	<u>165,588</u>	<u>165,588</u>	<u>163,844</u>	<u>1,744</u>
Total Expenditures	\$ 10,645,000	\$ 10,658,000	\$ 10,209,574	\$ 448,426
Excess (Deficiency) of Revenues Over Expenditures	(1,643,000)	(1,656,000)	(1,040,399)	615,601
Other Financing Sources (Uses)				
Proceeds from sale of assets	30,000	30,000	48,163	18,163
Transfers in	1,998,000	1,998,000	1,998,000	-
Transfers out	(625,000)	(625,000)	(625,000)	-
Total Other Financing Sources (Uses)	<u>1,403,000</u>	<u>1,403,000</u>	<u>1,421,163</u>	<u>18,163</u>
Net Change in Fund Balance	(240,000)	(253,000)	380,764	633,764
Fund Balance - Beginning of Year	1,421,143	1,421,143	1,421,143	-
Fund Balance - End of Year	<u><u>\$ 1,181,143</u></u>	<u><u>\$ 1,168,143</u></u>	<u><u>\$ 1,801,907</u></u>	<u><u>\$ 633,764</u></u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Required Supplementary Information June 30, 2011

Note - Budgets and Budgetary Accounting

County Council utilizes the following procedures in establishing the data reflected in the budgetary schedules:

- Prior to May 1, the County Administrator submits to County Council proposed annual budgets for the fiscal year commencing July 1. The budgets include proposed expenditure appropriations and the means for funding them.
- Public hearings are conducted to obtain taxpayer input.
- Prior to June 30, the budgets are legally enacted through passage of an ordinance after three readings.
- During the year Council is provided with interim financial reports which include budgetary comparisons and variances.
- The County Administrator is authorized by ordinance to transfer budget amounts between departments within any fund; however, any revisions that would alter total budgeted amounts of any fund must be approved by County Council through formal budget ordinance amendment. Thus, the "legal level of control" is at the fund level.
- The County accounting and reporting software employs budgetary integration to facilitate management control during the year. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles for governments.
- Appropriations lapse at the end of each fiscal year; however, capital encumbrances at year-end are routinely provided for in the following year through supplemental appropriation.

Note 2 - Supplemental Appropriations

For the year ended June 30, 2011, supplemental funds were appropriated for expenditure in the amount of \$712,393 in the General Fund, and in the amount of \$13,000 in the Law Enforcement Fund.

Other Supplementary Information

This page is intentionally left blank.

**Combining Nonmajor Governmental Fund
Financial Statements**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are restricted by law and administrative action to expenditures for specified purposes. A brief description of the County's nonmajor special revenue funds follows:

County Fire (District 1) Fund - To account for revenues used to provide fire protection services in all unincorporated areas of the County except those in the Midway Fire District and in the Murrells Inlet/Garden City Fire District.

Midway Fire (District 2) Fund - To account for revenues used to provide fire protection services to the Midway Fire District encompassing certain areas in the Waccamaw Neck region of the County.

Victims Services Fund - To account for assessments imposed on certain fines in Magistrate, General Sessions and Family Courts that are retained by the County for the provision of services to victims of crimes.

Higher Education Fund - To account for tax revenues used to provide local support for the Horry-Georgetown Technical College and the Georgetown Branch of Coastal Carolina University.

Bureau of Aging Services Fund - To account for revenues used to provide recreational and welfare services to the aging population of Georgetown County.

Clerk of Court Unit Cost/Incentive Fund - To account for State revenues passed through to the County to be used in providing for collection and enforcement of child support obligations.

State Accommodation Tax Fund - To account for State revenues derived from special taxes on short-term rental accommodations passed through to the County for use in advertising and promoting tourism and other tourism related expenditures within Georgetown County.

Economic Development Fund - To account for revenues used for economic development expenditures.

Economic Development Marketing Fund - To account for economic development revenues restricted specifically for use in marketing Georgetown County to businesses which may consider relocating to Georgetown County.

Special Sheriff's Narcotics Fund - To account for monies seized in relation to drug enforcement activities.

Special Economic Development Agreement Fund - To account for fee-in-lieu and other revenues restricted for use in economic development activities in accordance with agreements entered into by Georgetown County and the Georgetown County School District.

Road Improvement Fund - To account for the proceeds and expenditure of County road user fees.

Admissions Tax Fund - To account for admission tax revenues collected by the State and passed through to the County.

Choppee Regional Center Fund - To account for revenues received from "partners" providing public services and utilizing space in the Choppee Regional "One-Stop" Center on a cost-sharing basis with the County.

Murrells Inlet Revitalization Fund - To account for funds received Sunday alcoholic beverage permits that have been allocated for revitalization of the Murrells Inlet area of the County.

County "Sunday Sales" Permits Fund - To account for funds received from Sunday alcoholic beverage permits not designated for a particular area of the County.

Emergency Telephone System Fund - To account for phone tariff revenues used in equipping the County's Emergency 911 system.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Nonmajor Governmental Funds

Special Revenue Funds (continued)

Landbank Commission Fund – To account for funds collected by way of a real estate "transfer fee" that is no longer allowed to be collected. These funds must be used in accordance with the provisions Court rulings associated with the discontinuance of the fee.

Bike the Neck Fund - To account for donations associated with construction of bicycle pathways in the Waccamaw Neck area of the County.

Public Safety Grants Fund - To account for grant revenues restricted for public safety projects and services.

Public Works Grants Fund - To account for grant revenues restricted for public works projects and services.

Health & Welfare Grants Fund - To account for grant revenues restricted for health & welfare projects and services.

Economic Development Grant Funds - To account for grant revenues restricted for economic development projects and services designed to stimulate economic development of the County.

Culture & Recreation Grants Fund - To account for grant revenues restricted for culture and recreation projects and services.

Environmental Services Grants Fund - To account for grant revenues restricted for environmental services projects and services.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital assets other than those financed by proprietary funds and trust funds. A brief description of the County's nonmajor capital projects funds follows:

Capital Equipment Replacement Fund - To account for funds segregated and earmarked for long-term scheduled replacement of capital equipment and vehicles owned and used by the county in providing services to the community.

Energy Savings Project Fund - To account for funds segregated and earmarked for installation of comprehensive energy savings measures in County facilities.

This page is intentionally left blank.

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds			
	County Fire (District I)	Midway Fire (District II)	Victims Services	Higher Education
Assets				
Cash and investments	\$ 393,575	\$ 1,213,122	\$ -	\$ 74,899
Receivables (net of allowances)				
Taxes	93,569	45,192	-	16,080
From other governments	358	699	-	843
From other County funds	-	-	-	-
Other	20	3,849	9,357	-
Prepaid items	20,484	20,886	852	-
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Total Assets	\$ 508,006	\$ 1,283,748	\$ 10,209	\$ 91,822
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 103,243	\$ 77,102	\$ 4,483	\$ -
Accrued wages and benefits	42,271	67,634	3,482	-
To other County funds	-	-	1,392	-
Deferred revenue				
Property taxes	73,594	30,133	-	11,259
Grants	-	-	-	-
Total Liabilities	219,108	174,869	9,357	11,259
Fund Balances				
Nonspendable				
Prepaid items	20,484	20,886	852	-
Restricted for:				
General government programs	-	-	-	80,563
Public safety programs	268,414	1,087,993	-	-
Public works programs	-	-	-	-
Health & welfare programs	-	-	-	-
Culture & recreation programs	-	-	-	-
Economic development programs	-	-	-	-
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	288,898	1,108,879	852	80,563
Total Liabilities and Fund Balances	\$ 508,006	\$ 1,283,748	\$ 10,209	\$ 91,822

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

	Special Revenue Funds			
	Bureau of Aging Services	Clerk of Court Unit Cost/ Incentive	State Accommodations Tax	Economic Development
Assets				
Cash and investments	\$ 561,705	\$ 25,222	\$ 343,248	\$ 466,423
Receivables (net of allowances)				
Taxes	5,322	-	-	6,655
From other governments	-	20,084	246,864	-
From other County funds	-	-	-	-
Other	69,690	-	-	-
Prepaid items	5,751	512	-	1,566
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Total Assets	\$ 642,468	\$ 45,818	\$ 590,112	\$ 474,644
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 16,188	\$ 10,402	\$ 96,259	\$ 12,330
Accrued wages and benefits	12,768	3,559	-	3,122
To other County funds	-	-	12,343	-
Deferred revenue				
Property taxes	3,714	-	-	4,646
Grants	-	-	-	-
Total Liabilities	32,670	13,961	108,602	20,098
Fund Balances				
Nonspendable				
Prepaid items	5,751	512	-	1,566
Restricted for:				
General government programs	-	31,345	-	-
Public safety programs	-	-	-	-
Public works programs	-	-	-	-
Health & welfare programs	604,047	-	-	-
Culture & recreation programs	-	-	481,510	-
Economic development programs	-	-	-	452,980
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	609,798	31,857	481,510	454,546
Total Liabilities and Fund Balances	\$ 642,468	\$ 45,818	\$ 590,112	\$ 474,644

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds			
	Economic Development Marketing	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement
Assets				
Cash and investments	\$ 94,203	\$ 26,173	\$ 318,617	\$ 1,444,806
Receivables (net of allowances)				
Taxes	-	-	-	-
From other governments	-	-	-	-
From other County funds	-	-	-	725,674
Other	-	-	-	-
Prepaid items	-	-	-	-
Assets held for resale	-	-	-	1,868,718
Restricted assets				
Cash and investments	-	-	-	-
Total Assets	\$ 94,203	\$ 26,173	\$ 318,617	\$ 4,039,198
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
To other County funds	-	-	-	-
Deferred revenue				
Property taxes	-	-	-	-
Grants	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Nonspendable				
Prepaid items	-	-	-	-
Restricted for:				
General government programs	-	-	-	-
Public safety programs	-	26,173	-	-
Public works programs	-	-	-	-
Health & welfare programs	-	-	-	-
Culture & recreation programs	-	-	-	-
Economic development programs	94,203	-	318,617	4,039,198
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	94,203	26,173	318,617	4,039,198
Total Liabilities and Fund Balances	\$ 94,203	\$ 26,173	\$ 318,617	\$ 4,039,198

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds			
	Road Improvement	Admissions Tax	Choppee Regional Center	Murrells Inlet Revitalization
Assets				
Cash and investments	\$ 5,176,465	\$ 447,242	\$ 51,487	\$ 251,130
Receivables (net of allowances)				
Taxes	-	-	-	-
From other governments	-	34,228	-	17,550
From other County funds	-	-	-	-
Other	-	-	3,750	-
Prepaid items	360	-	2,898	-
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	35,704
Total Assets	\$ 5,176,825	\$ 481,470	\$ 58,135	\$ 304,384
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 668,672	\$ -	\$ 5,596	\$ -
Accrued wages and benefits	1,915	-	-	-
To other County funds	-	-	-	-
Deferred revenue				
Property taxes	-	-	-	-
Grants	-	-	-	-
Total Liabilities	670,587	-	5,596	-
Fund Balances				
Nonspendable				
Prepaid items	360	-	2,898	-
Restricted for:				
General government programs	-	-	-	-
Public safety programs	-	-	-	-
Public works programs	4,505,878	-	-	-
Health & welfare programs	-	-	49,641	-
Culture & recreation programs	-	481,470	-	304,384
Economic development programs	-	-	-	-
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	4,506,238	481,470	52,539	304,384
Total Liabilities and Fund Balances	\$ 5,176,825	\$ 481,470	\$ 58,135	\$ 304,384

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds			
	County "Sunday Sales" Permits	Emergency Telephone System	Landbank Commission	Bike the Neck
Assets				
Cash and investments	\$ 432,379	\$ 227,615	\$ 151,620	\$ 77,031
Receivables (net of allowances)				
Taxes	-	-	-	-
From other governments	12,250	227,653	-	-
From other County funds	-	-	-	-
Other	-	22,929	-	-
Prepaid items	-	943	-	-
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Total Assets	\$ 444,629	\$ 479,140	\$ 151,620	\$ 77,031
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ -	\$ 2,355	\$ -	\$ -
Accrued wages and benefits	-	2,968	-	-
To other County funds	-	-	-	-
Deferred revenue				
Property taxes	-	-	-	-
Grants	-	-	-	-
Total Liabilities	-	5,323	-	-
Fund Balances				
Nonspendable				
Prepaid items	-	943	-	-
Restricted for:				
General government programs	-	-	-	-
Public safety programs	-	472,874	-	-
Public works programs	-	-	-	-
Health & welfare programs	-	-	-	-
Culture & recreation programs	444,629	-	151,620	77,031
Economic development programs	-	-	-	-
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	444,629	473,817	151,620	77,031
Total Liabilities and Fund Balances	\$ 444,629	\$ 479,140	\$ 151,620	\$ 77,031

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds			
	Public Safety Grants	Public Works Grants	Health & Welfare Grants	Economic Development Grants
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables (net of allowances)				
Taxes	-	-	-	-
From other governments	133,994	393,967	6,542	135,083
From other County funds	-	-	-	-
Other	-	-	-	36
Prepaid items	-	18,750	-	-
Assets held for resale	-	-	-	-
Restricted assets				
Cash and investments	-	-	-	-
Total Assets	\$ 133,994	\$ 412,717	\$ 6,542	\$ 135,119
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 5,220	\$ 45,375	\$ 1,480	\$ 70,236
Accrued wages and benefits	-	-	-	-
To other County funds	128,774	403,252	2,242	40,395
Deferred revenue				
Property taxes	-	-	-	-
Grants	-	18,750	2,820	26,955
Total Liabilities	133,994	467,377	6,542	137,586
Fund Balances				
Nonspendable				
Prepaid items	-	18,750	-	-
Restricted for:				
General government programs	-	-	-	-
Public safety programs	-	-	-	-
Public works programs	-	-	-	-
Health & welfare programs	-	-	-	-
Culture & recreation programs	-	-	-	-
Economic development programs	-	-	-	-
Capital improvements	-	-	-	-
Assigned for:				
General government programs	-	-	-	-
Capital improvements	-	-	-	-
Unassigned	-	(73,410)	-	(2,467)
Total Fund Balances	-	(54,660)	-	(2,467)
Total Liabilities and Fund Balances	\$ 133,994	\$ 412,717	\$ 6,542	\$ 135,119

COUNTY OF GEORGETOWN, SOUTH CAROLINA

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

	<u>Special Revenue Funds</u>		
	<u>Culture & Recreation Grants</u>	<u>Environmental Services Grants</u>	<u>Total Special Revenue Funds</u>
Assets			
Cash and investments	\$ 184,916	\$ -	\$ 11,961,878
Receivables (net of allowances)			
Taxes	-	-	166,818
From other governments	67,780	20,601	1,318,496
From other County funds	-	-	725,674
Other	-	-	109,631
Prepaid items	155,005	-	228,007
Assets held for resale	-	-	1,868,718
Restricted assets			
Cash and investments	-	-	35,704
Total Assets	\$ 407,701	\$ 20,601	\$ 16,414,926
Liabilities and Fund Balances			
Liabilities			
Payables			
Trade and other accounts	\$ 13,051	\$ 4,069	\$ 1,136,061
Accrued wages and benefits	-	-	137,719
To other County funds	-	16,532	604,930
Deferred revenue			
Property taxes	-	-	123,346
Grants	252,162	-	300,687
Total Liabilities	265,213	20,601	2,302,743
Fund Balances			
Nonspendable			
Prepaid items	155,005	-	228,007
Restricted for:			
General government programs	-	-	111,908
Public safety programs	-	-	1,855,454
Public works programs	-	-	4,505,878
Health & welfare programs	-	-	653,688
Culture & recreation programs	-	-	1,940,644
Economic development programs	-	-	4,904,998
Capital improvements	-	-	-
Assigned for:			
General government programs	-	-	-
Capital improvements	-	-	-
Unassigned	(12,517)	-	(88,394)
Total Fund Balances	142,488	-	14,112,183
Total Liabilities and Fund Balances	\$ 407,701	\$ 20,601	\$ 16,414,926

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Balance Sheet
Nonmajor Governmental Funds
 June 30, 2011

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Equipment Replacement	Energy Savings Project	Total Capital Projects Funds	
Assets				
Cash and investments	\$ 4,433,140	\$ -	\$ 4,433,140	\$ 16,395,018
Receivables (net of allowances)				
Taxes	-	-	-	166,818
From other governments	-	311,861	311,861	1,630,357
From other County funds	-	-	-	725,674
Other	-	-	-	109,631
Prepaid items	-	-	-	228,007
Assets held for resale	-	-	-	1,868,718
Restricted assets				
Cash and investments	-	-	-	35,704
Total Assets	\$ 4,433,140	\$ 311,861	\$ 4,745,001	\$ 21,159,927
Liabilities and Fund Balances				
Liabilities				
Payables				
Trade and other accounts	\$ 101,079	\$ 73,687	\$ 174,766	\$ 1,310,827
Accrued wages and benefits	-	-	-	137,719
To other County funds	-	133,087	133,087	738,017
Deferred revenue				
Property taxes	-	-	-	123,346
Grants	-	-	-	300,687
Total Liabilities	101,079	206,774	307,853	2,610,596
Fund Balances				
Nonspendable				
Prepaid items	-	-	-	228,007
Restricted for:				
General government programs	-	-	-	111,908
Public safety programs	-	-	-	1,855,454
Public works programs	-	-	-	4,505,878
Health & welfare programs	-	-	-	653,688
Culture & recreation programs	-	-	-	1,940,644
Economic development programs	-	-	-	4,904,998
Capital improvements	-	105,087	105,087	105,087
Assigned for:				
General government programs	-	-	-	-
Capital improvements	4,332,061	-	4,332,061	4,332,061
Unassigned	-	-	-	(88,394)
Total Fund Balances	4,332,061	105,087	4,437,148	18,549,331
Total Liabilities and Fund Balances	\$ 4,433,140	\$ 311,861	\$ 4,745,001	\$ 21,159,927

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	County Fire (District I)	Midway Fire (District II)	Victims Services	Higher Education
Revenues				
Property taxes	\$ 2,312,680	\$ 3,124,363	\$ -	\$ 660,281
Fees, licenses and permits	45,863	111,289	129,111	105
Use of money and property	1,557	5,204	-	219
Intergovernmental	-	-	-	-
Grants	2,937	-	-	-
Other	4,771	40,029	-	-
Total Revenues	\$ 2,367,808	\$ 3,280,885	\$ 129,111	\$ 660,605
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ 612,000
Public safety	2,240,642	3,013,263	192,404	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Environmental services	-	-	-	-
Total Current	2,240,642	3,013,263	192,404	612,000
Capital Outlay				
General government	-	-	-	-
Public safety	-	29,739	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Total Capital Outlay	-	29,739	-	-
Debt Service				
Principal	2,814	905	-	-
Interest	1,883	605	-	-
Total Debt Service	4,697	1,510	-	-
Total Expenditures	\$ 2,245,339	\$ 3,044,512	\$ 192,404	\$ 612,000
Excess (Deficiency) of Revenues Over Expenditures	122,469	236,373	(63,293)	48,605
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	1,199	6,492	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	90,000	39,366	-
Transfers out	(130,000)	(360,000)	-	-
Total Other Financing Sources (Uses)	(128,801)	(263,508)	39,366	-
Net Change in Fund Balances	(6,332)	(27,135)	(23,927)	48,605
Fund Balances - Beginning of Year	295,230	1,136,014	24,779	31,958
Fund Balances - End of Year	\$ 288,898	\$ 1,108,879	\$ 852	\$ 80,563

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	Bureau of Aging Services	Clerk of Court Unit Cost/ Incentive	State Accommodations Tax	Economic Development
Revenues				
Property taxes	\$ 219,778	\$ -	\$ -	\$ 274,817
Fees, licenses and permits	655,829	-	-	45
Use of money and property	5,684	-	1,810	1,977
Intergovernmental	-	260,300	1,033,776	-
Grants	-	-	-	-
Other	2,724	-	-	56,096
Total Revenues	\$ 884,015	\$ 260,300	\$ 1,035,586	\$ 332,935
Expenditures				
Current				
General government	\$ -	\$ 155,510	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health & welfare	747,414	-	-	-
Economic development	-	-	-	319,103
Culture & recreation	-	-	1,186,778	-
Environmental services	-	-	-	-
Total Current	747,414	155,510	1,186,778	319,103
Capital Outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Total Capital Outlay	-	-	-	-
Debt Service				
Principal	3,275	-	-	-
Interest	2,191	-	-	-
Total Debt Service	5,466	-	-	-
Total Expenditures	\$ 752,880	\$ 155,510	\$ 1,186,778	\$ 319,103
Excess (Deficiency) of Revenues Over Expenditures	131,135	104,790	(151,192)	13,832
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(65,000)	(93,923)	(75,439)	-
Total Other Financing Sources (Uses)	(65,000)	(93,923)	(75,439)	-
Net Change in Fund Balances	66,135	10,867	(226,631)	13,832
Fund Balances - Beginning of Year	543,663	20,990	708,141	440,714
Fund Balances - End of Year	\$ 609,798	\$ 31,857	\$ 481,510	\$ 454,546

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	Economic Development Marketing	Special Sheriff's Narcotics	Airport Improvement	Special Economic Development Agreement
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 961,487
Fees, licenses and permits	28,928	-	-	-
Use of money and property	402	-	1,374	7,750
Intergovernmental	-	-	-	-
Grants	-	-	-	-
Other	-	39,002	-	-
Total Revenues	\$ 29,330	\$ 39,002	\$ 1,374	\$ 969,237
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	13,985	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	27,592	-	-	-
Culture & recreation	-	-	-	-
Environmental services	-	-	-	-
Total Current	27,592	13,985	-	-
Capital Outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Total Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	\$ 27,592	\$ 13,985	\$ -	\$ -
Excess (Deficiency) of Revenues Over Expenditures	1,738	25,017	1,374	969,237
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,738	25,017	1,374	969,237
Fund Balances - Beginning of Year	92,465	1,156	317,243	3,069,961
Fund Balances - End of Year	\$ 94,203	\$ 26,173	\$ 318,617	\$ 4,039,198

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	Road Improvement	Admissions Tax	Choppee Regional Center	Murrells Inlet Revitalization
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees, licenses and permits	1,693,575	-	-	-
Use of money and property	21,995	1,749	36,913	1,100
Intergovernmental	-	83,765	-	61,156
Grants	-	-	-	-
Other	-	-	1,319	-
Total Revenues	<u>\$ 1,715,570</u>	<u>\$ 85,514</u>	<u>\$ 38,232</u>	<u>\$ 62,256</u>
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	118,840	-	-	-
Health & welfare	-	-	35,112	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	188
Environmental services	-	-	-	-
Total Current	<u>118,840</u>	<u>-</u>	<u>35,112</u>	<u>188</u>
Capital Outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,789,450	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Total Capital Outlay	<u>1,789,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service				
Principal	-	-	1,571	-
Interest	-	-	1,052	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>2,623</u>	<u>-</u>
Total Expenditures	<u>\$ 1,908,290</u>	<u>\$ -</u>	<u>\$ 37,735</u>	<u>\$ 188</u>
Excess (Deficiency) of Revenues Over Expenditures	(192,720)	85,514	497	62,068
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(7,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(199,720)	85,514	497	62,068
Fund Balances - Beginning of Year	4,705,958	395,956	52,042	242,316
Fund Balances - End of Year	<u>\$ 4,506,238</u>	<u>\$ 481,470</u>	<u>\$ 52,539</u>	<u>\$ 304,384</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	County "Sunday Sales" Permits	Emergency Telephone System	Landbank Commission	Bike the Neck
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees, licenses and permits	-	404,286	-	-
Use of money and property	1,696	620	654	374
Intergovernmental	73,800	550,066	-	-
Grants	-	-	-	-
Other	-	276	-	-
Total Revenues	\$ 75,496	\$ 955,248	\$ 654	\$ 374
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	298,634	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	19,424
Environmental services	-	-	-	-
Total Current	-	298,634	-	19,424
Capital Outlay				
General government	-	-	-	-
Public safety	-	29,630	-	-
Public works	-	-	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	-
Culture & recreation	-	-	-	-
Total Capital Outlay	-	29,630	-	-
Debt Service				
Principal	-	234,304	-	-
Interest	-	24,425	-	-
Total Debt Service	-	258,729	-	-
Total Expenditures	\$ -	\$ 586,993	\$ -	\$ 19,424
Excess (Deficiency) of Revenues Over Expenditures	75,496	368,255	654	(19,050)
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	75,496	368,255	654	(19,050)
Fund Balances - Beginning of Year	369,133	105,562	150,966	96,081
Fund Balances - End of Year	\$ 444,629	\$ 473,817	\$ 151,620	\$ 77,031

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	Special Revenue Funds			
	Public Safety Grants	Public Works Grants	Health & Welfare Grants	Economic Development Grants
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees, licenses and permits	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	-	-	-
Grants	710,813	556,398	31,982	1,632,363
Other	-	-	-	-
Total Revenues	\$ 710,813	\$ 556,398	\$ 31,982	\$ 1,632,363
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	480,070	-	-	-
Public works	-	213,334	-	-
Health & welfare	-	-	31,982	-
Economic development	-	-	-	1,087,081
Culture & recreation	-	-	-	-
Environmental services	-	-	-	-
Total Current	480,070	213,334	31,982	1,087,081
Capital Outlay				
General government	-	-	-	-
Public safety	230,743	-	-	-
Public works	-	397,724	-	-
Health & welfare	-	-	-	-
Economic development	-	-	-	498,808
Culture & recreation	-	-	-	-
Total Capital Outlay	230,743	397,724	-	498,808
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	\$ 710,813	\$ 611,058	\$ 31,982	\$ 1,585,889
Excess (Deficiency) of Revenues Over Expenditures	-	(54,660)	-	46,474
Other Financing Sources (Uses)				
Proceeds from capital lease financing	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from capital lease refinancing	-	-	-	-
Payoff of capital leases refinanced	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(54,660)	-	46,474
Fund Balances - Beginning of Year	-	-	-	(48,941)
Fund Balances - End of Year	\$ -	\$ (54,660)	\$ -	\$ (2,467)

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>		
	<u>Culture & Recreation Grants</u>	<u>Environmental Services Grants</u>	<u>Total Special Revenue Funds</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 7,553,406
Fees, licenses and permits	-	-	3,069,031
Use of money and property	-	-	91,078
Intergovernmental	-	-	2,062,863
Grants	407,781	20,601	3,362,875
Other	-	-	144,217
Total Revenues	\$ 407,781	\$ 20,601	\$ 16,283,470
Expenditures			
Current			
General government	\$ -	\$ -	\$ 767,510
Public safety	-	-	6,238,998
Public works	-	-	332,174
Health & welfare	-	-	814,508
Economic development	-	-	1,433,776
Culture & recreation	389,321	-	1,595,711
Environmental services	-	20,601	20,601
Total Current	389,321	20,601	11,203,278
Capital Outlay			
General government	-	-	-
Public safety	-	-	290,112
Public works	-	-	2,187,174
Health & welfare	-	-	-
Economic development	-	-	498,808
Culture & recreation	18,490	-	18,490
Total Capital Outlay	18,490	-	2,994,584
Debt Service			
Principal	-	-	242,869
Interest	-	-	30,156
Total Debt Service	-	-	273,025
Total Expenditures	\$ 407,811	\$ 20,601	\$ 14,470,887
Excess (Deficiency) of Revenues Over Expenditures	(30)	-	1,812,583
Other Financing Sources (Uses)			
Proceeds from capital lease financing	-	-	-
Proceeds from sale of assets	-	-	7,691
Proceeds from capital lease refinancing	-	-	-
Payoff of capital leases refinanced	-	-	-
Transfers in	-	-	129,366
Transfers out	-	-	(731,362)
Total Other Financing Sources (Uses)	-	-	(594,305)
Net Change in Fund Balances	(30)	-	1,218,278
Fund Balances - Beginning of Year	142,518	-	12,893,905
Fund Balances - End of Year	\$ 142,488	\$ -	\$ 14,112,183

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2011

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Equipment Replacement	Energy Savings Project	Total Capital Projects Funds	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 7,553,406
Fees, licenses and permits	-	-	-	3,069,031
Use of money and property	14,642	373	15,015	106,093
Intergovernmental	-	-	-	2,062,863
Grants	-	122,295	122,295	3,485,170
Other	-	-	-	144,217
Total Revenues	\$ 14,642	\$ 122,668	\$ 137,310	\$ 16,420,780
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ 767,510
Public safety	-	-	-	6,238,998
Public works	-	-	-	332,174
Health & welfare	-	-	-	814,508
Economic development	-	-	-	1,433,776
Culture & recreation	-	-	-	1,595,711
Environmental services	-	-	-	20,601
Total Current	-	-	-	11,203,278
Capital Outlay				
General government	-	371,373	371,373	371,373
Public safety	842,601	-	842,601	1,132,713
Public works	396,489	-	396,489	2,583,663
Health & welfare	47,648	-	47,648	47,648
Economic development	-	-	-	498,808
Culture & recreation	40,586	-	40,586	59,076
Total Capital Outlay	1,327,324	371,373	1,698,697	4,693,281
Debt Service				
Principal	835,894	-	835,894	1,078,763
Interest	117,311	-	117,311	147,467
Total Debt Service	953,205	-	953,205	1,226,230
Total Expenditures	\$ 2,280,529	\$ 371,373	\$ 2,651,902	\$ 17,122,789
Excess (Deficiency) of Revenues Over Expenditures	(2,265,887)	(248,705)	(2,514,592)	(702,009)
Other Financing Sources (Uses)				
Proceeds from capital lease financing	1,740,442	103,284	1,843,726	1,843,726
Proceeds from sale of assets	-	-	-	7,691
Proceeds from capital lease refinancing	1,968,900	1,558,748	3,527,648	3,527,648
Payoff of capital leases refinanced	(1,968,900)	(1,558,748)	(3,527,648)	(3,527,648)
Transfers in	1,732,400	-	1,732,400	1,861,766
Transfers out	-	-	-	(731,362)
Total Other Financing Sources (Uses)	3,472,842	103,284	3,576,126	2,981,821
Net Change in Fund Balances	1,206,955	(145,421)	1,061,534	2,279,812
Fund Balances - Beginning of Year	3,125,106	250,508	3,375,614	16,269,519
Fund Balances - End of Year	\$ 4,332,061	\$ 105,087	\$ 4,437,148	\$ 18,549,331

Schedule of Fines, Assessments and Surcharges

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Fines, Assessments and Surcharges
For the Year Ended June 30, 2011

Fines & Fees - State Portion

Public Defender Application Fees	\$ 560
Bond Estreatment	1,750
Circuit/Family Court Motion Fees	59,525
Family Court Alimony/Child Support Fees	122,133
Circuit/Family Court Fines & Other	20,854
Circuit/Family Court Filing Fees	204,435
Magistrate Court Filing Assessments	27,180
Total Fines & Fees - State Portion	<u>\$ 436,437</u>

DUI Assessments & Surcharges - State Portion

Boating Under the Influence	\$ 50
Magistrate Court DUI	1,354
Magistrate Court DUI, DPS Pullout	10,962
General Sessions Court DUI Surcharge	141
Magistrate Court DUI Surcharge	11,281
General Sessions Court DUI DPS Pullout	130
Magistrate Court DUI DPS Pullout	1,319
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	2,033
Total DUI Assessments - State Portion	<u>\$ 27,270</u>

Other Surcharges - State Portion

General Sessions Court Drug Surcharge	\$ 7,305
Magistrate Court Drug Surcharge	8,762
General Sessions Court Law Enforcement Surcharge	5,871
Magistrate Court Law Enforcement Surcharge	191,314
General Sessions Court Criminal Justice Academy Surcharge	860
Magistrates Court Criminal Justice Academy Surcharge	37,584
Total Other Surcharges - State Portion	<u>\$ 251,696</u>

Other Assessments - State Portion

General Sessions Court	\$ 10,207
Magistrate Court	463,489
Total Other Assessments - State Portion	<u>\$ 473,696</u>

Victims Assessments - County Portion

General Sessions Court	\$ 5,283
Magistrate Court	60,727
Total Victims Assessments - County Portion	<u>\$ 66,010</u>

Victims Surcharges - County Portion

General Sessions Court	\$ 25,482
Magistrate Court	37,619
Total Victims Surcharges - County Portion	<u>\$ 63,101</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

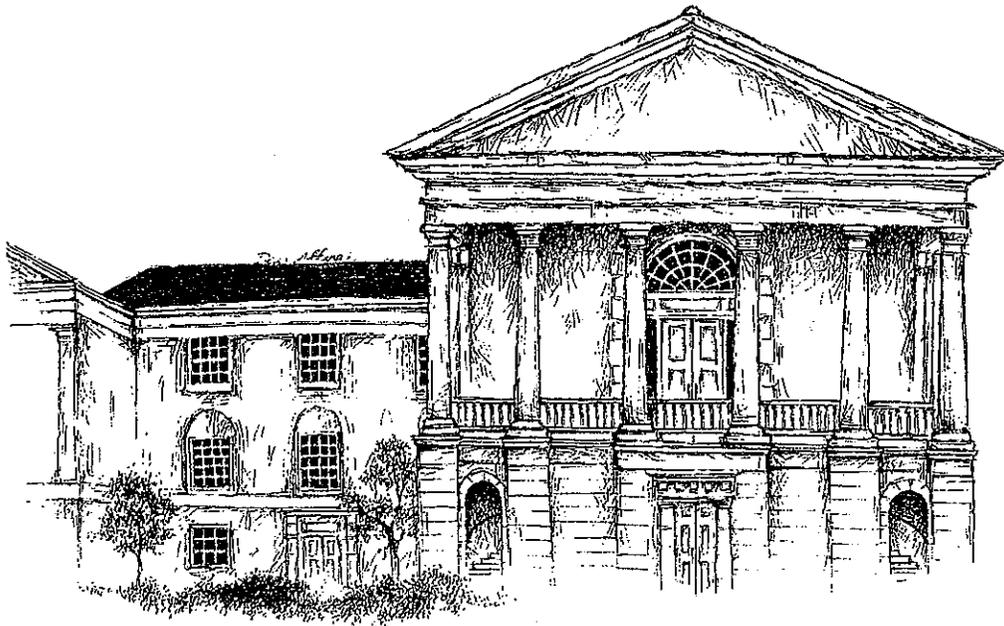
Schedule of Fines, Assessments and Surcharges
For the Year Ended June 30, 2011

Summary of Changes in Victims Services Fund Balance

Victims Services Assessments and Surcharges	\$ 129,111
Contributions from General Fund	39,366
Victims Services Interest Earnings	-
Current Year Victims Services Expenditures	<u>(192,404)</u>
Increase (Decrease) in Victims Services Fund Balance	(23,927)
Victims Services Fund Balance - Beginning of Year	<u>24,779</u>
Victims Services Fund Balance - End of Year	<u>\$ 852</u>

This page is intentionally left blank.

SINGLE AUDIT SECTION



Georgetown County
Georgetown, SC

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Direct Programs			
Andrews Library Stimulus (ARRA)	10.780	SC-00-03-Georgetown	\$ 26,098
Passed through State			
S.C. Department of Social Services			
Food Nutrition Service (FNS)			
State Administrative Matching Grant Food Stamp Program & FS Fraud	10.561	N/A	14,245
S.C. Forestry Commission			
National Fire Plan	10.664	N/A	<u>5,200</u>
			<u>45,543</u>
U.S. Department of Housing and Urban Development			
Direct Programs			
Home Investment Partnership	14.239	M-09-DC-45-0214	997,386
Passed through State			
S.C. Department of Commerce			
CDBG - Andrews Library Expansion	14.228	4-W-08-008	279,194
CDBG - Community Planning	14.228	4-RP-09-008	50,000
CDBG - Andrews Demolition	14.228	4-A-10-003	<u>272,450</u>
			<u>1,599,030</u>
U.S. Department of Interior			
Passed through State			
S.C. Department of Natural Resources			
Petersfield Boat Landing	15.916	N/A	150,454
Brown's Ferry Boat Landing	15.916	N/A	<u>114,233</u>
			<u>264,687</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
U.S. Department of Justice			
Direct Programs			
Bulletproof Vest Program	16.607	N/A	5,975
COPS - Technology	16.710	2008-CK-WX-0603	230,743
COPS - Secure Our Schools	16.710	2009-CK-WX-0753	84,731
Byrne - COPS	16.804	2009-DJ-BX-1386	8,715
Byrne - COPS (ARRA)	16.804	2009-SB-B9-2575	1,535
Passed through State			
<i>S.C. Department of Public Safety</i>			
SRO Program (ARRA)	16.803	1G10012	<u>209,663</u>
			<u>541,362</u>
U.S. Department of Labor			
Passed through State			
<i>S.C. Employment Security Commission and Waccamaw Regional Workforce Investment Board</i>			
Workforce Investment Act - Youth Program	17.259	7369B16	<u>23,884</u>
			<u>23,884</u>
U.S. Department of Transportation			
Direct Programs			
Georgetown Airport Runway 523 Extension	20.106	3-45-0025-10	278
Georgetown Airport Access Road, Terminal Parking, Perimeter Fencing and Apron Expansion	20.106	3-45-0025-11	151,534
Georgetown Airport RSA Grading - Runway 523	20.106	3-45-0025-12	256,708
Georgetown Airport Runway & Taxiway Lighting Rehab	20.106	3-45-0025-13	<u>93,720</u>
			<u>502,240</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Agency Award Number</u>	<u>Expenditures</u>
Institute of Museums & Library Services			
Passed through State			
S.C. State Library			
LSTA Fast Track	45.310	IID-09-68	15,000
LSTA Fast Track	45.310	IID-10-19	864
			<u>15,864</u>
U.S. Department of Energy			
Passed through State			
S.C. Budget & Control Board			
Energy Efficiency & Conservation Block Grant (ARRA)	81.128	EWA-06	118,350
Energy Efficiency & Conservation Loan Program	81.041	4-203-10	359,370
			<u>477,720</u>
U.S. Department of Education			
Passed through State			
S.C. State Library			
LSTA Stimulus (ARRA)	84.397	H8701ARRA111	16,309
			<u>16,309</u>
U.S. Department of Health & Human Services			
Passed through State			
S.C. Department of Social Services			
Child Support Enforcement IV-D			
Filing Fees	93.563	N/A	43,500
Incentive Payments	93.563	N/A	40,409
Transaction Reimbursement	93.563	N/A	199,001
Service of Process Payments	93.563	N/A	20,889

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

	Federal CFDA Number	Grantor or Pass-Through Agency Award Number	Expenditures
U.S. Department of Health & Human Services (continued)			
Passed through State (continued)			
S.C. Department of Social Services (continued)			
Administration for Children & Families Program			
Family Preservation (CWS Part II)	93.556	N/A	153
Temporary Assistance for Needy Families - TANF Block Grant	93.558	N/A	18,400
Child Support Enforcement	93.563	N/A	25
Child Care & Development Block Grant	93.575	N/A	233
Child Welfare Services - State Grant	93.645	N/A	810
Title IV-E Foster Care	93.658	N/A	7,488
Social Services Block Grant Admin	93.667	N/A	4,536
Centers for Medicare & Medicaid Services (CMS)			
Medicaid Administration	93.778	N/A	12,072
S.C. Lieutenant Governor's Office - Office on Aging			
Disease Prevention (ARRA)	93.725	ARAEB08	<u>31,802</u>
			<u>379,318</u>
U.S. Department of Homeland Security			
Passed through State			
S.C. Emergency Management Division			
LEMPG	97.042	8EMPG01	12,987
LEMPG	97.042	9EMPG01	10,343
LEMPG	97.042	10EMPG01	35,041
LEMPG	97.042	11EMPG01	5,117
CERT	97.067	8CCP01	<u>398</u>
			<u>63,886</u>
		Grand Total	<u>\$ 3,929,843</u>

COUNTY OF GEORGETOWN, SOUTH CAROLINA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Georgetown, 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 in, or used in the preparation of, the basic financial statements.

This page is intentionally left blank.

**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**

To the County Council
Georgetown County, South Carolina
Georgetown, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown County, South Carolina, as of and for the year ended June 30, 2011, which collectively comprise Georgetown County, South Carolina's basic financial statements and have issued our report thereon dated November 30, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Georgetown County, South Carolina'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 Georgetown County, South Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Georgetown County, South Carolina's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, 2011-1 and 2011-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2011

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

To the County Council
Georgetown County, South Carolina
Georgetown, South Carolina

Compliance

We have audited Georgetown County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Georgetown County, South Carolina's major federal programs for the year ended June 30, 2011. Georgetown County, South Carolina's major federal programs are identified in the summary of auditors' 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 Georgetown County, South Carolina's management. Our responsibility is to express an opinion on Georgetown County, South Carolina'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 States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Georgetown County, South Carolina'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 of Georgetown County, South Carolina's compliance with those requirements.

In our opinion, Georgetown County, South Carolina, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of Georgetown County, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Georgetown County, South Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Georgetown County, South Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies in internal control over compliance of a federal program as defined above.

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2011

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

I. Summary of Auditors' Results:

- A. The auditors' report expresses an unqualified opinion on the financial statements of Georgetown County, South Carolina.
- B. Two significant deficiencies disclosed during the audit of the financial statements are reported in Part II below.
- C. No instances of noncompliance material to the financial statements of Georgetown County, South Carolina which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs for Georgetown County, South Carolina expresses an unqualified opinion on all major federal programs.
- F. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
- G. Major federal program for Georgetown County, South Carolina for the fiscal year ended June 30, 2011 are:

<u>Program Name</u>	<u>CFDA #</u>
CDBG-State Administered CDBG Cluster	14.228
CDBG-State Administered CDBG - Planning	
CDBG-State Administered CDBG - Andrews Demolition	
CDBG-State Administered CDBG - Andrews Library	
Home Improvement Partnership Program	14.239
Public Safety Partnership and Community Policing Grants	16.710
COPS School	
COPS Technology	

- H. The threshold for determining Type A programs for Georgetown County, South Carolina is \$300,000.
- I. Georgetown County, South Carolina qualified as a low risk auditee.

II. Findings Related to the Audit of the Financial Statements of Georgetown County, South Carolina.

Finding 2011-1

Criteria:

Each bank account should be reconciled and traced to the general ledger in a timely manner.

Condition:

The County Treasurer's property tax bank account had not been reconciled in a timely manner.

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

Cause:

The Treasurer's Office had a change in personnel and did not complete the reconciliation process in a timely manner

Effect:

All of the County's cash transactions may not have been accurately and correctly recorded in the general ledger.

Recommendation:

To improve internal control and operating efficiency, management should establish policies and procedures to accurately reconcile each County bank account in a timely and efficient manner.

Management's Response:

The Treasurer's Office understands the need for timely, accurate bank reconciliations and has always complied. However, a change in personnel has caused a delay in one bank account being reconciled timely. The former accounting clerk was brought back in to bring this account current and to offer additional training to the accounting staff.

Auditors' Conclusion:

Sufficient actions are being taken to mitigate the risks associated with this finding.

Finding 2011-2

Criteria:

Chapter 11, Masters and Referees, Article 1, General Provisions Section 14-11-40 of the South Carolina Code of Laws states "All fees and costs received and recovered by any master-in-equity shall be accounted for and paid into the general fund of the county as directed by the governing body."

The Master-in-Equity should make timely payments to the County of all fees and costs received and recovered through his office. These payments should be supported by proper documentation.

Condition:

The Master-in-Equity makes irregular payments to the County of fees and costs received and recovered. Adequate supporting documentation is not being provided with each payment.

Cause:

The County Council has not established policies and procedures to account for and pay into the general fund fees and costs received and recovered by the Master-in-Equity.

Effect:

The Master-in-Equity is not making timely payments of all fees and costs received and recovered to the general fund of the County and is not supplying adequate documentation to support his payments.

Recommendation:

To improve internal control and operating efficiency, the County Council should establish policies and procedure for the Master-in-Equity to account for and pay fees and costs received and recovered into the general fund. After establishing these policies and procedures, this should be communicated to the Master-in-Equity.

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

Management's Response:

Management agrees with the recommendation and will work with County Council to develop a policy that requires timely remittance of all fees and costs due to the County along with proper supporting detail for the receipts.

Auditors' Conclusion

Sufficient actions are being taken to mitigate the risk associated with this finding.

III Findings and Questioned Costs Related to the Audit of Federal Awards

There were no findings noted for the year ended June 30, 2011 that are required to be reported in accordance with OMB Circular A-133 criteria.

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

There were no audit findings as of June 30, 2010 that remain a finding in the current year.