

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

WITH

REPORT OF INDEPENDENT AUDITORS



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
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INTRODUCTORY SECTION





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December 17, 2009

To the members of County Council and the citizens of Charleston County, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2009.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, and safeguards the County's assets. It is designed to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

Charleston County's financial statements have been audited by Scott McElveen, L.L.P, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Charleston County's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Charleston County was part of a broader, federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Charleston County's separately issued *Single Audit Report*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement, and should be read in conjunction with MD&A. Charleston County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County of Charleston was established by the state of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government. Policy-making and legislative authority is vested in a governing council consisting of nine Council members. The Council is elected to single member districts on a partisan basis.

Charleston County Council is responsible for, among other duties, passing ordinances and policies, approving the budget, appointing committee members, and hiring the County's Administrator, Internal Auditor and Attorney. The Administrator is responsible for enforcing the policies and ordinances of the governing council, overseeing the day-to-day operations of the government services and its approximately 2,300 employees, and for appointing the heads of the various County departments.

Charleston County provides a broad range of services that include:

- Public safety - countywide law enforcement (Sheriff's Office), detention facilities, emergency preparedness plans to include activation of the County's Emergency Operations Center in an event of a disaster, as well as fire protection in the Awendaw Consolidated Fire District, the East Cooper Fire District, the West St. Andrew's Fire District, and the Northern Charleston County Fire District
- Veterans' assistance
- Health-related assistance - Emergency Medical Services (EMS), alcohol and other drug abuse services, indigent health care, and social services
- Voter registration
- Street and drainage maintenance
- Waste disposal and recycling
- Planning and zoning administration
- Criminal, civil, probate, and family court administration
- Public defender assistance
- Property assessments, tax billing, collection, and dispersal to appropriate entities/municipalities
- Mosquito control

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Charleston Public Facilities Corporation has been shown in the government-wide statements in both the governmental and business-type activities, as appropriate. It is also shown in the fund financial statements in the debt service and capital project governmental funds, and in the parking garages and other enterprise funds. Charleston Development Corporation has been shown in the government-wide statements in the governmental activities, and in the fund financial statements in other governmental funds.

Discretely presented component units are reported in a separate column in the Statement of Net Assets and in the Statement of Activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government.

The following entities are being reported as discretely presented component units:

- Charleston County Library (CCL)
- Charleston County Park and Recreation Commission (CCPRC)
- Cooper River Park and Playground Commission (CRPPC)
- James Island Public Service District (JIPSD)
- North Charleston District (NCD)
- St. Andrew's Parish Parks and Playground Commission (SAPPPC)
- St. John's Fire District (SJFD)
- St. Paul's Fire District (SPFD)
- Charleston County Volunteer Rescue Squad (CCVRS)

Additional information on these nine legally separate entities can be found in Note I.B. in the Notes to Financial Statements starting on page 64.

The annual budget serves as the foundation for Charleston County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the County's Budget Office by February 1 each year. The County Administrator presents the proposed budget to County Council for review during May. Council is required to hold public hearings on the proposed budget, and to adopt a final budget each year no later than June 30, which is the close of Charleston County's fiscal year. The appropriated budget is prepared by fund, function (public safety), and department (Sheriff's Office).

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document and are subject to approval by the County Administrator. The County Administrator has the authority to make transfers between major expenditure categories within departments and between departments within the same fund. The Administrator has further delegated to the four Assistant Administrators the authority to transfer between departments under their authority. The budget ordinance must be amended by County Council to effect changes in fund totals.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 47-49 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the nonmajor governmental fund subsection of this report, which begins on page 141.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Charleston's Economy at a Glance. Charleston County's economic base is diversified and growing. The economy has gone through a significant shift in the past two decades from a military dependent economy to a more diversified economy that is stimulated by six engines of growth:

- The Port of Charleston, fueling the manufacturing and supply chain sectors in Charleston, statewide, and around the nation.
- The military, with significant Air Force, Navy, Army, and Coast Guard facilities in Charleston.
- The tourism industry, with a year round tourist season.

- The medical industry, focused around the Medical University of South Carolina (MUSC), the State's teaching hospital.
- Manufacturing and service Companies, where recruitment activity has grown with the focus on a tri-county collaborative industry recruitment program
- Higher education, with 26 colleges and universities offering a range of two-year, bachelor's, master's and doctoral degree programs.

Recent Economic Indicators. General economic indicators for 2008 were reported by the Charleston Metro Chamber Economic Outlook Board in March of 2009. Highlights are as follows:

Population-The Charleston metro area population increased by over 8 percent, 506,875 to 549,033 persons, from 1990 to 2000. The U.S. Census Bureau estimates the 2008 population in the metro area to be 644,506, meaning that the percentage growth from 2000 to 2008 has been 17.4 percent. The percentage growth is significant as it surpasses the State of South Carolina's growth (11.7 percent) and the United State's growth (8.0 percent) during the same period.

Labor Force & Employment-Since the Naval Base closed in 1995, the civilian labor force in the Charleston region has grown by 28.8 percent, from 245,940 to 316,707 persons as of 2008. The Metro Chamber of Commerce's Economic Outlook Board reported that total employment grew by 789 jobs in 2008, for an increase of 0.3 percent, while national total employment declined by 7.5 percent. As of May 2009, the Charleston region is experiencing 9.4 percent unemployment, compared to the state of South Carolina at 12.1 percent.

Housing-A total of 4,830 new residential permits were issued in the Charleston region in 2008, which was a decline of 28.8 percent from the previous year. The average sales price of all homes sold decreased slightly from \$300,446 to \$299,721.

Retail Sales-Total retail sales for the Charleston area grew 0.8 percent in 2008, topping \$18.73 billion with almost \$13 billion of that total being spent in Charleston County.

Visitor Industry-The Charleston region attracted over 4.12 million visitors in 2008, generating an economic impact of \$3.05 billion. Hotel occupancy rates were 71.5 percent for the year, and the average daily rate for lodging increased almost 4 percent up to \$171.45 per night. Attendance rates at area attractions have remained flat over the past few years as the profile of visitors to the Charleston region has shifted. Many of the region's visitors are now largely repeat visitors coming to shop and dine in the area several times a year.



Port Activity-In 2008, the Port of Charleston was ranked fourth on the list of busiest U.S. East Coast container ports. It is consistently recognized as one of the nation's most efficient and productive ports. In 2008, the Port of Charleston handled 1.64 million TEUs (twenty foot equivalent cargo containers). The Charleston break-bulk cargo totaled 587,000 tons. Port activity is expected to rise over the next decade, largely due to the new container terminal currently under construction on the former Navy base. The new 280-acre terminal is expected to open in 2014 and, at build out, will increase Charleston's total container capacity by 50 percent. In addition, a new 25-acre yard opened in late 2008 at the Wando Welch Terminal, representing a 10 percent capacity increase for the terminal.

Airport Activity-Total passenger activity at the Charleston International Airport increased by 2.6 percent in 2008. By comparison, passenger activity declined 2.3 percent in Savannah and 7.6 percent in Myrtle Beach. Passenger activity is expected to remain relatively flat in 2009 and 2010.

BRIEF SECTOR PROFILES

The Port. The Port of Charleston is currently ranked fourth busiest port of the U.S. East and Gulf Coasts. Port volume is expected to increase in the coming years due to the new three-berth, 280-acre marine terminal under construction at the former Charleston Naval Base, with Phase 1 scheduled to open in 2014. The SPA's fiscal year

2009 capital improvement program calls for \$160 million in enhancements and equipment for new and existing facilities.

The Charleston customs district ranks as the nation's eighth largest in dollar value of international shipments, with the Port of Charleston's cargo valued at more than \$62 billion annually. Top commodities that pass through Charleston docks include consumer goods, agricultural products, and metals. Charleston's five port facilities, located close to the open ocean for fast turnarounds, consist of two container ports, two break-bulk ports, and one container and break-bulk port.



The Port of Charleston

The SPA, which operates the Port of Charleston, employs approximately 600 people. Locally, the Port of Charleston is directly and indirectly responsible for 26,000 jobs, which provides \$1.2 billion in labor income, and \$4.3 billion in total output. Statewide, international trade through the SPA's facilities provides 260,800 jobs paying \$11.8 billion in wages to South Carolinians. In all, trade pumps nearly \$45 billion into the state economy and generates \$1.5 billion in state and local taxes.

The Military. Despite the 1993 decision to close most of the Charleston Naval Complex, the military still makes a large annual economic impact in the Charleston region. There are 22,000 active-duty, reserve personnel, civilians, and civilian contractors employed in the region by the area's defense facilities. In total, the military provides an annual economic impact on the Charleston region estimated at \$3.3 billion.

The Charleston Air Force Base is home to the 437th Airlift along with 6,150 (airbase) employees and over 50 C-17 aircraft. The C-17s are currently serving a vital supply role to the military in both Afghanistan and Iraq. The Charleston Naval Weapons Station is another of the larger military facilities in the area, employing 11,000 people in over 40 separate commands.

The Space and Naval Warfare Systems Center Charleston (SPAWAR) is a high technology, engineering facility that designs, builds, tests, fields, and supports the Navy as well as other federal customers. SPAWAR Charleston is responsible for integrating the Mine Resistant Ambush Protected (MRAP) vehicles that are used to protect the war fighters on the ground in Iraq and Afghanistan. The facility employs over 1,500 Civil Service employees with an average salary of \$75,678 and supports an estimated 80 local defense contractors operating in the region, which employ 12,000 contractor employees. SPAWAR's economic impact on Charleston's economy is estimated at \$1.5 billion.

Other facilities include the Nuclear Power Training Command and Nuclear Power Training Unit, which are both state-of-the-art nuclear power schools that graduate over 3,000 students each year. The Army's Combat Equipment Group Afloat and Surface Deployment Distribution Command 841st Transportation Battalion both transport equipment to support the war efforts. The US Coast Guard and Federal Law Enforcement Training Center also operate facilities in the region, and trains more than 12,000 students annually.

Visitor Industry. Tourism has long been an economic mainstay in one of America's most photogenic and historic cities. In the 1990's this sector soared, recording visitation and earnings once thought impossible. The region's visitor industry held steady through most of 2008 before experiencing declines in the fourth quarter due to the nationwide recession. Charleston recorded 4.12 million visitors in 2008, providing an economic impact of \$3.05 billion to the local economy. The hospitality industry directly employs 35,875 people in Charleston County, accounting for 12 percent of the workforce. When direct and indirect employment from the hospitality industry is combined, the total number employed balloons to over 50,000.

Charleston hoteliers have widely expanded the regional room inventory and range of choices in the past decade. Charleston County's inventory of hotel rooms stood at 15,530 at the end of 2008 with a 71.5 percent occupancy rate in and an average daily rate of \$171.45 per night. A study done in April 2009 by the Charleston Area Convention & Visitors Bureau and the College of Charleston determined that the nationwide recession has had a lesser impact on occupancy and average daily rates in Charleston than in neighboring tourists destinations Savannah, GA, Myrtle Beach, SC, and Hilton Head, SC.

The past few years have seen the emergence of a new facet to Charleston's tourism market – the cruise ship industry. Both Carnival Cruise Lines and Celebrity Cruise Lines have chosen to make Charleston a new departure and arrival point. In addition, many other cruise lines (including Holland America Cruises, Princess Cruises, Costa Cruises and Crystal Cruises) bring their ships to Charleston as a port of call. The SPA is in the process of upgrading its Passenger Terminal to more effectively meet new security requirements, as well as to better serve the growing number of cruise customers.

Restaurants in Charleston multiply and flourish, nourished by a constant flow of aspiring and accomplished chefs coupled with an increasingly affluent Charleston visitor. *The New York Times*, *Southern Living*, *Bon Appetit*, and *Wine Spectator* have all praised area restaurants where seafood, nouvelle, and southern cooking predominate in the over 100 restaurants in downtown Charleston alone. The average Charleston visitor is well acquainted with these wonderful restaurants, as they spent an average of \$212 per day in 2008 on food, accommodations, local attractions, shopping, and other entertainment.

The Medical Industry. The region's medical industry is anchored by the State's teaching hospital, the Medical University of South Carolina (MUSC), and accounts for over ten percent of the area's total employment. The majority of the employment currently exists in five private regional hospitals, MUSC, and the Ralph H. Johnson VA Medical Center, along with the hundreds of general practitioners, dentists, and medical specialists in the region.

The center of energy in the region's medical arena is MUSC. It is made up of six colleges which give students a variety of options for their focus of study. Enrollment in the six colleges collectively stands at 2,537, with over 1,300 faculty members being employed. In 2008, MUSC received \$202 million in research funding.

MUSC established one of the first infirmaries specifically for teaching purposes in 1834, which is now known as the MUSC Medical Center. Among the programs that have earned distinguished reputations at the MUSC are: neuroscience, substance abuse, cardiovascular medicine, drug sciences, prenatal medicine, ophthalmology, hearing loss, genetics, rheumatology, and cancer care.

In February 2008, the MUSC Medical Center completed a 156 bed, 641,000 square foot expansion of its medical center. The new facility is now home to the hospital's Heart & Vascular center as well as its Digestive Disease Center. The new James B. Edwards College of Dental Medicine Clinical Education Building is scheduled to be completed in the fall of 2009. The site prep for the new 114,000 sq. ft. Drug Discovery Building began in the summer of 2009, and the building is expected to be completed in late 2011. MUSC is also building a Bioengineering Building in collaboration with Clemson and the University of South Carolina. Site prep began in the summer of 2009, and it is expected to be completed in late 2011.

Several of the private hospitals are also currently in a growth mode. Roper St. Francis Healthcare, a non-profit hospital group, broke ground on a new medical campus in the Mt. Pleasant area in May 2008. The 308,000 sq. ft., \$164 million campus will include a medical office building (90,000 sq. ft., \$21 million) and a state-of-the-art hospital (218,000 sq. ft. - \$143 million). The 85-bed full-service hospital expects to receive its first patients in November 2010. The hospital will include 24-hour Emergency Care, Women's Services, inpatient and outpatient surgery, Intensive and Critical Care Units. East Cooper Regional Medical Center is also building a new hospital in Mt. Pleasant to replace its existing facility. The new 250,000 sq. ft. hospital will cost \$160 million to build, and will be equipped with 140 beds. Along with the additional bed space, the new hospital brings 200 more jobs in addition to the over 600 that East Cooper currently provides. It is expected to accept its first patients in April 2010.

Manufacturing and Service Companies. The Charleston region has experienced record levels of success in economic recruitment since 1995, when it commenced a unique tri-county collaborative industry recruitment program. Through the end of 2008, over \$2.78 billion in corporate and industrial capital investment was recorded and some 16,320 new primary jobs were created in Charleston County. In 2008 the Charleston region was ranked 10th on the Milken Institute's "Best Performing Cities" list. The Best Performing Cities index ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The components include job, wage and salary and technology growth.

Pro-business government attitudes permeate through the State of South Carolina and the Charleston region, where state commerce department officials work hand-in-hand with economic developers from the Charleston

Regional Development Alliance, Charleston County and its three largest municipalities: City of Charleston, City of North Charleston, and Town of Mt. Pleasant. This team searches out national and international business prospects, facilitating their relocations and expansions. State and local financial incentives are strategically utilized to leverage private sector relocation and expansion decisions.

Beginning in 2004, Charleston County embraced a recruitment strategy that centers on five key economic clusters:

- Aerospace and Aviation
- Automotive Manufacturing and Suppliers
- Biotech, Medical and Pharmaceutical Activities
- Information Technology and Advanced Security
- The Creative Cluster of Internet, Movie-Making, Architecture and Urban Design-Related Activities



Vought Aircraft Industries Dreamlifters

Aerospace and Aviation-In 2006 the Boeing 787 fuselage complex opened for business at the Charleston International Airport. This international collaboration on a cutting edge commercial aircraft is making history, as the Boeing 787 will be the first commercial aircraft ever constructed from carbon graphite composite materials: super-strength, light-weight material with many fuel efficiency and maintenance advantages over conventional metals traditionally used in aviation.

During May 2007, Vought Aircraft Industries (Dallas, TX) fabricated its first aft fuselage for the 787, and Global Aeronautica (a joint venture of Vought and Alenia Aeronautica of Milan, Italy) integrated the flooring systems and various other interior components. The finished fuselage sections are being shipped via air on Dreamlifters (large, converted 747s) to the Boeing facility in Everett, WA, for final assembly. There they are united with the wings, tail, front fuselage and nose cone sections made in Italy, Japan, and Wichita, KS. Boeing held a roll-out ceremony for the first completed 787 on July 7, 2007, in Everett, WA.

The year 2008 was one fraught with setbacks for the 787 program, with design flaws revealed, and a temporary halt to work at the North Charleston facility that was spawned by an interruption of the supply chain caused by the International Machinists (IAM) strike in Seattle. During 2008, Boeing entered the Global Aeronautica integration business, buying out the Vought share and becoming the new joint venture partner with Alenia.

The year 2009 has been one of forward progress for the 787 program. In July Boeing announced that it was acquiring the fabrication business from Vought for \$1 billion. Boeing has scheduled the first test flight by year's end. Employment at the complex during 2009 has vastly exceeded expectations, with some 2,200 persons on staff. An international buzz began back in July, following the 2009 Paris Air Show, when Boeing announced that it had begun due diligence on a site for a second Boeing 787 assembly line. Press speculation has run rampant that Charleston is a leading site under consideration. Despite previous setbacks, the future still appears to be bright for the 787 program and its local Charleston presence. The 787 is the fastest selling airplane in commercial aviation history with around 900 firm orders currently on the books.

Charleston's aerospace cluster made further strides in 2009 when Venture Aerobearings completed up fit, testing and certification of its \$28 million advanced technology air bearings facility. The 100 employees of this unique joint venture between GE Aviation and SKF Aerobearings will be responsible for manufacturing and repairing bearings for the industry-leading GENx jet engines.

Automotive Manufacturing-In 2009 the automotive sector has been challenged by the severe recession, the near failure of two of the Big Three automakers, and an overall pronounced slump in consumer auto purchases. Numerous layoffs have occurred among the automotive supplier firms in Charleston, with seemingly no operation being untouched. Cummins Turbo Technologies announced three rounds of layoffs during late 2008 and spring 2009, but retain a sizeable workforce producing the Dodge Ram turbocharger engine at their Palmetto Commerce Park facility in Ladson. Following the grand opening in 2007, the \$50 million Sprinter re-assembly facility has fallen

on hard times. Like many other viable vehicle-makers, the effects of the credit crisis and the downturn in international trade have prevented many fleet and individual consumers from purchasing this versatile vehicle. Entering 2010-2011, the company hopes to see activity return to the 2007 level, when the Sprinter achieved six percent market share.

Biotech, Medical & Pharmaceutical Activities-Emerging biotech jobs in Charleston are characterized by firms like Charles River Labs, a Boston-based industry leader in laboratory testing diagnostics. Emerging from the pioneering research of an MUSC scientist in the 1980s, Charles River Labs utilizes the blood of a horseshoe crab to produce its endotoxin screen for injectible drugs. In December 2008 the company announced a \$29 million expansion involving the creation of 60 new jobs. GenPhar, another MUSC spin-off, first pioneered an HIV detection kit for hospital use. It most recently created a vaccine geared at immunizing U.S. troops from the deadly Marburg and Ebola viruses. During 2009 it pursued construction of its \$33 million vaccine manufacturing facility in suburban Mt. Pleasant where it will employ 133 new biotech researchers over the next five years.

Information Technology and Advanced Security-Information technology companies are also an expanding sector in Charleston, anchored by nationally known companies servicing their Space and Air Warfare Systems (SPAWAR) research and development contracts. During 2008 and 2009, several of these national firms increased their Charleston presence. SAIC consolidated several local offices over to the Faber Place Executive Park. Scientific Research Corporation did likewise, merging three local offices into a new building at Remount Road Business Park. BAE Systems announced in 2009 that it was expanding its presence with a \$6.2 million expansion and the addition of another 100 employees. Beyond the SPAWAR vendors, there are also the Charleston home-grown IT firms. Automated Trading Desk, Inc., which was acquired by Citigroup in 2007, now trades four percent of the NASDAQ volume on a daily basis from its \$30 million complex in Mt. Pleasant.

Creative Cluster-Charleston has been a magnet for a growing list of small internet-related companies and movie-making expertise. South Carolina improved its financial incentives offerings for movie-makers recently, hoping to attract yet more television and motion picture productions to Charleston and other statewide locales. Among the first to respond were the producers of the television series "Army Wives", which since 2006 has operated from filming facilities in the neck area of Charleston. "Army Wives" has recently completed filming its third season in Charleston.

Higher Education. There are 26 colleges and universities offering a range of two-year, bachelor's, master's, and doctoral degree programs in Charleston. The five largest are : Trident Technical College, with 12,076 students; The College of Charleston, with 11,316 students; Charleston Southern University, with 3,286 students; The Citadel, with 3,300 students; and the Medical University of South Carolina with 2,537 students. One of Charleston's most recent points of pride is the new Charleston School of Law. This private institution was opened in 2004 and is one of only two law schools in the state. Enrollment is currently over 600. In May 2009, the Charleston School of Law graduated its third class of 136 students. The Center for the Building Arts provides a training school for craftsmen involved in structural restoration. This school had its first class of graduates in 2009.

WHY CHARLESTON?

Companies relocating to Charleston, as well as entrepreneurs, who start businesses in the area, typically give two primary reasons for why they chose to do business here: the renowned quality of life and the enviable competitive posture.

Quality of Life. Key among the region's advantages is its geographic location, its natural beauty, moderate climate, and a quality of life which has been deliberately and carefully protected.

Charleston has a 330 year history and is widely acknowledged as among the world's leaders in the area of historic preservation. The stunning, well-preserved eighteenth and nineteenth century homes and commercial buildings in downtown Charleston are a testament to this passion. Sightseeing in historic downtown is a favorite pastime for pedestrians and also tourists in horse-drawn carriages. Far from receiving a staid museum-like experience, the visitor to Charleston is struck by the busy streets of a vibrant city which are packed with tourists and locals well into the night.

Charleston is a medium-sized city with big-city arts offerings. The world-renowned Spoleto Festival USA is an annual two-week celebration of opera, jazz, dance, and visual arts that attracts legendary performers to the city. Charleston has an active arts community, with over 70 arts and cultural organizations, including a first-class symphony, museums, a proliferation of art galleries, and local stage and theater groups.

Sports are an important part of the Charleston social landscape in a town where the median age is 36. Sporting events contribute over \$50 million annually to the regional economy and employing nearly 1,200 people. Charleston hosts several professional teams. The Charleston RiverDogs Baseball team is a Class A affiliate of the New York Yankees, the Charleston Battery Soccer team is part of the USL First Division, and the South Carolina Stingrays Hockey team is a member of the ECHL Southern Division and an affiliate of the NHL Washington Capitals. Southern Conference and Big South Conference collegiate sports round out the mix, with the teams of The Citadel, College of Charleston, and Charleston Southern University taking center stage.

Charleston also plays host to many high-profile sporting events throughout the year. The annual Family Circle Cup Tennis Tournament, a WTA Tier 1 event, is played at the Family Circle Tennis Center (capacity 10,200) on Daniel Island. The 2008 tournament was attended by 90,473 people with a \$25 million economic impact. Kiawah Island's world-class Ocean Course has been selected to host the 94th Annual PGA Championship in 2012. Finally, the annual Cooper River Bridge Run 10K hosted 40,000 runners in April 2009.



Serena Williams at the Family Circle Tennis Tournament

Competitive Posture. Charleston has won numerous accolades in recent years from esteemed business and travel publications. *The Milken Institute* ranked Charleston 10th among largest U.S. metros on its “2008 Best Performing Cities” list in September 2008. *Inc.* magazine placed Charleston 6th among mid-sized metros on its list of “Top US Cities for Doing Business.” Charleston was among the nation’s top 10 on the list of Best Cities for Technology Jobs in *Forbes* June 2009 edition. *Forbes* also listed Charleston in the top 25 on the list of America’s Strongest Housing Markets in their January 2009 edition. The *US Conference of Mayors* ranked Charleston first on its list of Most Livable Cities in June 2009. Charleston was honored in the October 2008 edition of *Conde Nast Traveler* magazine as the #2 destination on its list of the Top 10 US Travel Destinations, second only behind San Francisco.

The Charleston region offers a sizeable real estate portfolio for a mid-sized market, with over 9 million square feet in upscale executive buildings and offices. The 13.3 million square feet of retail space in the region is distributed between regional malls, strip centers, and the downtown Charleston central business district. Since 2000, over 3.5 million square feet of office space has been added to the Charleston region’s inventory. Vacancy rates are currently at 20 percent. The average lease rate for Class A office space is \$24.13 per square foot in the region, with an overall average of \$19.72 per square foot for all office space.

Over 20 industrial parks are strategically located throughout the Charleston region. As of the end of 2008, the Charleston region had over 29.6 million square feet of warehouse and flex space. Vacancy stands at 10.82 percent and average lease rates are \$4.18 per square foot for warehouse space, and \$5.39 per square foot for flex space.

The Charleston International Airport, no more than a thirty-minute ride from anywhere in the region, has experienced great growth in recent years. The mix of passengers has shifted away from its tourist base toward one increasingly characterized by business travelers. Daily non-stop service is available to 14 cities in the US including Atlanta, New York, Charlotte, Philadelphia, and Washington DC.

MAJOR COUNTY INITIATIVES

Charleston County’s initiatives in fiscal year 2009 focused on enhancing the value of services provided to our citizens, partnering with municipal governments, encouraging economic development, and continuing with an extensive facilities improvement and replacement program.

Economic Decline Sparks Record Demand for Library Services: Charleston County Public Library's (CCPL) 16 locations experienced record growth and service demand in FY09, partially fueled by the economic decline that drove residents to seek cost-effective alternatives and job assistance.

Job seekers turned to the library's resources, including public access computers, databases, educational and computer training classes, employer research, and skill assessments, to find employment opportunities, get resume help and learn skills required by prospective or current employers. This influx played a role in the library's 10 percent jump in circulation to 3.8 million items and 5 percent rise in user visits to 2.2 million compared with the previous year.

Charleston County Public Library is one of the best library systems in the nation, according to a new rating system measuring library services of 7,115 systems across the country.

Library Journal, the oldest and most respected publication in the field, named CCPL a "star" library in April 2009, putting it in the top 3 percent of library systems throughout the country. This first-ever service comparison clusters libraries with similar operating budgets then rates the libraries in four main categories: number of visitors, circulation, program attendance and public Internet computer use.



Charleston County Posts Monthly Transactions Online: In an effort to be even more transparent in its expenditures, the County posted its monthly accounts payable transactions on the County's Web page.

The report includes payments over \$100, and is updated monthly. It includes the vendor name; invoice date; description of the transaction; the department/office responsible for the transaction; the budgetary account used to pay for the transaction; the check amount; and the date the check was issued.

The report excludes information protected by the S.C. Freedom of Information Act (FOIA) and the federal Health Insurance Portability and Accountability Act (HIPAA).

Online Services Make Building Permitting Easier: To improve services, the County implemented a new online permitting and inspection system that allows the public to: pay for, apply for and check the status of permits; schedule and check the status of inspections; pay for, renew and inquire about Charleston County contractor licenses; and search properties for permits, inspections and plan status.

The online records are limited to the areas that the County's permitting and inspection departments serve, which include the towns and municipalities of Awendaw, Kiawah, Meggett, Ravenel, Rockville, Seabrook and unincorporated areas within Charleston County.

Citizens can also search and renew business licenses online for the municipalities of North Charleston, Awendaw, McClellanville, Rockville, Lincolnville, Folly Beach and unincorporated areas within Charleston County.

The saving of gas, time and mileage by being able to access services online results in a better bottom line for businesses and the public. In the future, the flexibility of the system will allow the County to accept plans for submission and review online.

Charleston County Fleet Equipment Repair Facility: Charleston County opened the doors of the new Charleston County Fleet Equipment Repair Facility. The repair garage staff maintains and repairs vehicles belonging to Charleston County Government. Charleston County's Radio Operations and the Parts Warehouse are also housed in the facility.

The facility highlights Charleston County Government's commitment to quality service to our citizens by assuring that our County equipment is in good working order.



Consolidated 911 Center Moves Forward: The plan to consolidate county-wide 911 dispatch operations met several major milestones during fiscal year 2009. Following an extensive search, a Consolidated 911 Center director was hired, and the administrative joining of the County's Sheriff's Office and EMS 911 dispatch operations took place, officially forming the County's Consolidated 911 Center.

The city of North Charleston dispatch staff then relocated into the County's current 911 center to begin cross-training. An architecture and design firm was also selected to begin planning the future Consolidated 911 Center facility.

The Charleston County Consolidated 911 Center currently dispatches for: the Charleston County Sheriff's Office; Charleston County Emergency Medical Services; the Charleston County Volunteer Rescue Squad; Awendaw Fire Department; St. Pauls Fire Department; Lincolnville police and fire departments; and the city of North Charleston police and fire departments.

Charleston County Equips 911 Call Center with Pictometry: Charleston County Government implemented software that will help County workers more effectively respond to emergencies. While software mapping is still the primary tool to show directions to an incident, the County is now using a new tool called Pictometry to do the job. Pictometry allows dispatchers to view an actual photo image of the buildings and surrounding area where an emergency responder is being sent.

For years, 911 dispatchers have used paper maps and mapping software to assist EMS, fire and law enforcement personnel get to a location in a timely manner. Now, the image of the building or area where a 911 call originates comes up automatically on the dispatcher's computer screen as soon as a call comes into the dispatch center.

At any point during a call, dispatchers viewing the Pictometry images can tell emergency responders about a building's size, the type of intersection to look for, or obstacles they may face. Pictometry allows the 911 dispatcher to view an incident scene from the north, south, east, west and directly above, to provide a 360-degree view of any area within Charleston County.

Promoting Emergency Preparedness: The pilot **Teen Community Emergency Response Team (CERT)** program took six West Ashley Middle School eighth grade students through 10 weeks of emergency response training. The goal of Teen CERT is to better prepare the community at an earlier age and offer positive extracurricular activities to the youth of Charleston County. The students in the pilot program learned how to identify the types of disasters and hazards most likely to affect their homes, schools and communities. Based on the success of the pilot program, County staff plans to continue the course for teen-agers. The local program is based on the FEMA CERT national curriculum, where young adults ages 13-18 are trained to assist in the event of an emergency or natural disaster, and to be prepared to assist their families and emergency services.



Transportation Solutions:

Construction Begins on Folly Road/Maybank Highway Intersection: In FY09, Charleston County began construction on one of the 13 major bonded projects: improvements to the intersection of Folly Road and Maybank Highway on James Island.

The intersection design addresses the dangerous left turns from Old Folly Road onto Maybank Highway and from Folly Road onto Old Folly Road. The new design includes mast-arm signals (stoplights) to be added to the intersections to allow traffic to turn safely from Old Folly Road onto Maybank Highway and from Folly Road onto Old Folly Road.

New, landscaped medians with lighting and irrigation will be added to Maybank Highway, Folly Road and Old Folly Road. Sidewalks with pedestrian lighting will be added along Maybank Highway, Folly Road and Old Folly Road.

The entire project area will be repaved and will have new pavement markings including crosswalks and signs. New stormwater drainage facilities will also be added, including a new 60-inch drainage pipe crossing underneath

Maybank Highway and continuing under Wappoo Creek Drive, and all new curbs and gutters along the project area.

The project is expected to be completed by the spring of 2010.

Road Work Improves Safety Along Highway 162: One of the many annual allocation projects Charleston County completed in FY09 was the addition of a new left-turn lane on Highway SC 162 at the entrance of the Stono Ferry subdivision. Previously, motorists traveling south on Highway SC 162 from US Highway 17 toward the town of Hollywood had to stop behind vehicles trying to turn left into the subdivision, creating an unsafe and inconvenient situation

The improvement project widened SC 162 from two to three lanes to allow for the creation of a left-turn lane into the Stono Ferry subdivision. By widening SC 162 and creating a left-turn lane, motorists can now safely continue straight on SC 162 past vehicles turning left into the subdivision.

The project, which was requested by the town of Hollywood, took five months to construct and cost approximately \$610,000 including design, right-of-way acquisition and construction. The 1,700 foot-long project also improved the road's drainage by replacing open ditches along the roadside with curbs and gutters leading to drainage pipes.

Protecting Our Resources:

16 Rural Greenbelt Projects Protect 3,516 Acres: During FY09, County Council approved rural applications that were submitted to the Greenbelt Bank Board during three funding cycles. Overall, the Greenbelt Bank Board received 18 project funding requests and made recommendations to Charleston County Council to fund 16 projects that resulted in: 3,516 acres protected (rural greenbelt land, Francis Marion Forest land, and rural wetlands) and \$14.1 million in rural funding. Of the rural funds awarded, \$9.5 million will be used to purchase 731 acres for public use.

15 Projects Provide 174 Acres of Urban Parkland and Greenspace: During FY09, three municipalities and three nonprofit organizations received funding from Charleston County's Urban Greenbelt Program. The Urban Grants Review Committee reviewed the urban greenbelt applications and made recommendations to the Charleston County Park and Recreation Commission (CCPRC). Based on the committee's recommendations, the CCPRC reviewed the projects and made funding recommendations to Charleston County Council.



This property in Awendaw will be a Charleston County Regional Park with public access to the Intracoastal Waterway.

County Council approved \$4.3 million for 15 urban greenbelt projects, which resulted in 174 acres preserved for urban parks and greenspace.

County Adopts 10-Year Comprehensive Plan Update: Charleston County Council adopted the 10-year update of the County's Comprehensive Plan as a result of the state mandated 10-year update cycle, the need for the County to conform to new state statutes (*The Priority Investment Act*) that require additional elements in the Comprehensive Plan, and a response to changing economic and growth trends.

The Charleston County Planning Commission directed the update process and was assisted by a team of consultants who evaluated trends and aided in drafting the document. The update process included four key phases with a public participation element between each phase: (1) data collection and analysis; (2) policy development; (3) draft plan document; and (4) adoption.

Council Analyzes Future of Solid Waste Management: In FY08, County Council hired a consultant to work with

the Green Ribbon Committee (community residents and experts) to develop a comprehensive solid waste strategy for the County. After an initial analysis of how solid waste is managed by the County, as well as best practices, cost and solid waste disposal innovations, Council voted not to renew the Montenay Waste-to-Energy Facility (incinerator) contract in calendar year 2010. It also directed the County to proceed with development of programs aimed at achieving a 40 percent county-wide recycling goal; to aggressively develop public/private partnerships for recycling and disposal; and to continue to utilize Bees Ferry Landfill and explore public/private partnerships.

County Council, staff, the consultant and the Green Ribbon Committee continue to work toward developing concrete strategies to handle solid waste disposal in the County.

County Supports Lowcountry Local First 10% Shift Campaign: Charleston County Council passed a resolution this year supporting Lowcountry Local First's 10% Shift Campaign, which is a grassroots movement that encourages individuals, businesses, non-profit organizations and government agencies to spend at least 10 percent of their purchases with local, independent businesses.

In 2007, Charleston County Council approved a local preference option. The ordinance allows the lowest local bidder for goods or services that is within five percent, or \$10,000 of the lowest non-local bidder, to match the bid amount submitted by the non-local bidder and get the contract.

Based on a recent study of the Grand Rapids, Mich. area (similar in size to the Tri-county area) by Civic Economics, Lowcountry Local First estimates that a commitment to shift 10 percent of purchases to local, independent businesses in the Tri-county area could create 1,600 jobs, reducing unemployment by 0.5 percent; generate \$50 million in new wages; and create \$140 million in new economic activity for the region

FINANCIAL INFORMATION

Cash Management. Cash that was temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements, or interest-bearing checking accounts. The average yield on investments was 1.64 percent for the year ending June 30, 2009. Charleston County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The County's bank balances were approximately \$170,644,242 at June 30, 2009, all were collateralized or covered by insurance. More detail on the County's deposits and investments is found in Note III. A. of the Notes to Financial Statements starting on page 76.

Risk Management. The County has a limited risk management program for vehicle comprehensive and collision. As part of this plan, the County has a mandatory defensive driving training class for new employees operating County vehicles, and a refresher defensive driving training class for those county drivers who have experienced a chargeable accident. The County insures all licensed vehicles for collision and comprehensive, including a \$1,000 deductible per vehicle provided by the State of South Carolina Insurance Reserve Fund. The County has also acquired commercial insurance on heavy equipment on those items exceeding \$2,500. All heavy equipment claims have a 2 percent of value deductible. The County also has a \$1,000 deductible per location coverage for fire and extended coverage with the State of South Carolina Insurance Reserve Fund.

During fiscal year 1991, the County insured the risk of job-related injury or illness to its employees through the South Carolina Association of Counties' (SCAC) Workers' Compensation Trust. Effective July 1, 1995, the County converted to a large deductible plan with the SCAC to fund risks associated with Workers' Compensation claims. More information on the County's risk management plan can be found in Note IV.A. of the Notes to Financial Statements starting on page 106.

Pension and Other Post Employment Benefits. Charleston County participates in the State of South Carolina Retirement System. All regular County employees are members of either the South Carolina Retirement System or the South Carolina Police Officer's Retirement System. More information on these pension plans are provided in Note IV.I. of the Notes to Financial Statements starting on page 119 of this report.

The County also provides post-employment health, life and dental care benefits (as per the requirements of a local ordinance) for certain retirees and their dependents. More information on the post-employment benefits is shown

in Note IV.G. of the Notes to Financial Statements starting on page 116.

Awards and Acknowledgements. The GFOA awarded its Certificate of Achievement for Excellence in Financial Reporting for the 21st consecutive year to Charleston County for its fiscal year 2008 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive "spirit of full disclosure" to communicate clearly the County's financial story.

Charleston County also received its 20th consecutive Distinguished Budget Presentation Award for its fiscal year 2009 budget from the Government Finance Officers Association of the United States and Canada (GFOA). According to the GFOA, the award reflects the commitment of Charleston County Government and its staff to meeting the highest principles of governmental budgeting. The award was given based not only on how well the County budgets its funds, but also on how well it communicates to the public how the money is spent.

A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County's current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

The timely preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County's Finance Department. Special thanks go to the team headed by Carla Ritter, who with the assistance of Dolores Dong, Scott Bartley, Chrisanne Porter, and Summer Gillespie of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile and Catherine Ksenzak from the Budget Office; Andrew Smith and Julie Riley-Hollar from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services, Jean Sullivan and Jeanette Williams from Grants Administration; Bill Turner and Jackie Proveaux from the Public Works Department, Danica Goff of the Public Information Office and, Ashley Keen of the Economic Development Office. Much appreciation also goes to Dawn Murray of the Finance Department who prepared the financial notes, the Management's Discussion and Analysis, and provided clerical support to the external auditors. Substantial assistance also came from the staff members of the County Administrator and Assistant County Administrator for Finance. Thank you's are also extended to the staff of Scott McElveen, L.L.P, the external auditors, for their efforts in producing this Comprehensive Annual Financial Report.

In addition, Charleston County would like to acknowledge the cooperation and support of Charleston County Council in making this report possible.



Allen O'Neal
County Administrator



Keith Bustraan
Assistant County Administrator for Finance



Corine Altenhein
Charleston County Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Charleston
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

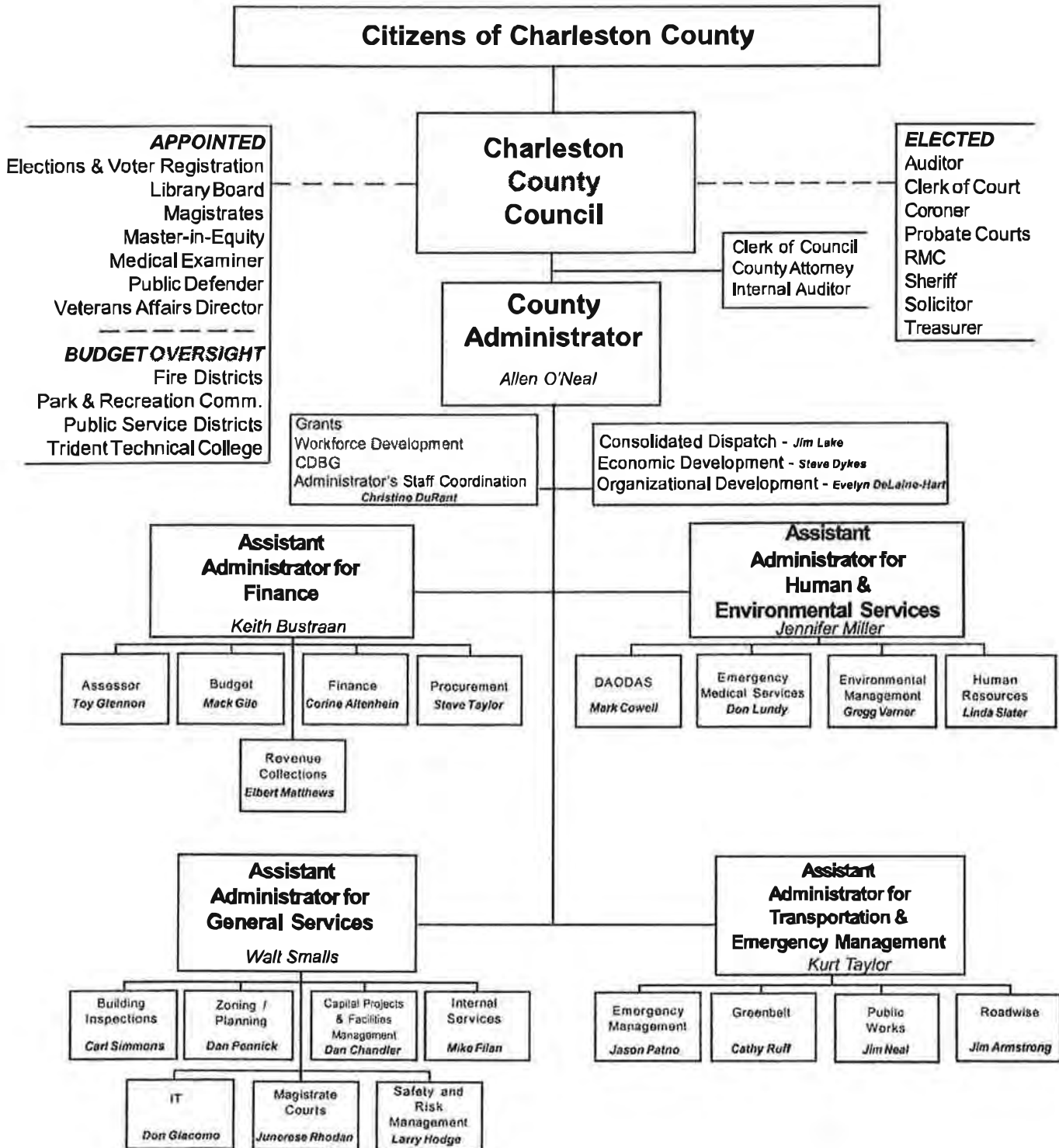
Executive Director

Charleston County, South Carolina

Organizational Chart

County Departments

Effective 4/17/2009



COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2009

MEMBERS OF COUNTY COUNCIL

	<u>Number of Years In Office</u>	<u>Term Expiration Date</u>	
Teddie E. Pryor	4½	12/31/2010	Chairman, District 5
Paul R. Thurmond	2½	12/31/2010	Vice Chairman District 9
Joe McKeown	3	12/31/2010	District 1
Henry D. Schweers	2½	12/31/2010	District 2
J Elliot Summey	½	12/31/2012	District 3
Henry E. Darby	4½	12/31/2012	District 4
A. Victor Rawl	½	12/31/2012	District 6
Colleen T. Condon	4	12/31/2012	District 7
Curtis B. Inabinett	4½	12/31/2010	District 8

ELECTED OFFICIALS

Peggy Moseley	17	06/30/2012	Auditor
Julie J. Armstrong	17½	12/31/2012	Clerk of Court
Rae Wooten	3	12/31/2012	Coroner
Irvin G. Condon	15½	12/31/2010	Probate Court
Charlie Lybrand	15½	12/31/2010	Register Mesne Conveyance
James A. Cannon, Jr.	21½	12/31/2012	Sheriff
Scarlet A. Wilson	2	12/31/2012	Solicitor
Andrew Smith	12	06/30/2012	Treasurer

OTHER OFFICIALS

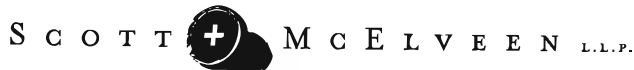
	<u>Number of Years With County</u>	<u>Years In Current Position</u>	
Allen O'Neal	1/2	1/2	County Administrator
Keith D. Bustraan*	22½	8	Assistant Administrator for Finance
Walter L. Smalls	10	3	Assistant Administrator for General Services
Jennifer Miller	23	2	Assistant Administrator for Human and Environmental Services
W. Kurt Taylor	18	1	Assistant Administrator for Transportation and Emergency Services
Corine Altenhein	19	2	Finance Director

FINANCIAL SECTION



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Independent Auditors' Report

To the Charleston County Council
County of Charleston, 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, other than the financial statements of the discretely presented component units, and the budgetary comparison schedule of the general fund, of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and fiduciary funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the accompanying combining financial statements and schedules, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CERTIFIED PUBLIC ACCOUNTANTS

Member: AICPA, SCACPA, SEC Practice Section
An Independent Member of the BDO Seidman Alliance

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FAX (803) 256-8346
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In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, enterprise, internal service, and fiduciary fund of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the schedules of capital assets used in the operation of governmental funds as well as the victim notification schedule of fines, assessments and surcharges collected, are fairly stated, in all material respects, in relation to the portion of the basic financial statements from which they have been derived as of June 30, 2009.

As discussed in Note II. B. to the financial statements, the County made adjustments that resulted in restatements of beginning fund balances and net assets in the Solicitor Special Revenue Fund, the Revenue Collections Fund, and three of its discretely presented component units, to correct certain errors made in the County's financial statements for the year ended June 30, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information as listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Scott McElveen, L.L.P.

Columbia, South Carolina
December 17, 2009

Management's Discussion and Analysis

As management of Charleston County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Charleston County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 through 15 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Charleston County reported net assets (total assets less total liabilities) of \$228,296 at June 30, 2009, comprised of \$883,387 in total assets offset by \$655,091 in total liabilities. Of this amount, \$34,625 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$37,903 during the fiscal year ended June 30, 2009, with a \$36,386 decrease resulting from governmental activities and a \$1,517 decrease resulting from business-type activities.
- As of the close of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$319,737, which is an \$87,624 decrease from the prior year. Approximately 17 percent or \$53,064 of this total amount is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$43,677 or 28 percent of the total general fund expenditures. Unreserved fund balance is comprised of \$6,268 of designations for subsequent years' appropriations, \$8,000 of designations for rainy day, and \$29,408 of undesignated fund balance.
- Charleston County's total assets decreased by \$42,184, while total liabilities decreased by \$4,281.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Charleston County and are similar to private sector financial statements. They include a statement of net assets and a statement of activities. These statements appear on pages 39 through 41 of this report.

The statement of net assets shows the County's assets less its liabilities at June 30, 2009. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net assets and presents information showing how the County's net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in future fiscal periods.

Both statements distinguish between functions of Charleston 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).

Governmental activities reported in the statements include general government, public safety, judicial, public works, health and welfare, economic development, culture and recreation, and education. Major business activities include parking garages and environmental management (recycling and waste disposal). Other business-type activities include the Department of Alcohol and Other Drug Abuse Services (DAODAS), radio communications, revenue collections and a countywide E-911 communication system.

Charleston County's government-wide financial statements include component units of the County. Component Units can be blended or discretely presented. Component units are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy and are presented as a separate column in the government-wide statements and as combining statements of net assets and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 64 through 66 of this report.

The government-wide financial statements can be found on pages 58 through 61 of this report.

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

Governmental Funds. Governmental funds, presented on pages 43 through 49, essentially account for the same functions as those reported under the governmental activities on the government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Charleston County's near-term financing requirements and available resources.

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

Governmental funds individually presented in Charleston County's statements include four major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, and the General Obligation Bond (GOB) Capital Projects Fund. Although there are many smaller governmental funds in Charleston County government, they have been presented in a total column termed as "Other Governmental Funds". Combining statements for these other governmental funds have been presented on pages 128 through 138 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 50 through 55 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for environmental management and parking garages. DAODAS, radio communications, revenue collections and E-911 communications are presented in one total column termed as "Nonmajor Other Funds" but may be separately reviewed in the combining statements on pages 154 through 159.

Internal service funds (ISFs) are an accounting mechanism to accumulate and allocate costs internally for Charleston County Government. The County uses internal service funds to account for fleet management, office support services, workers' compensation, telecommunications, and employee benefits. See pages 161 through 165 of this report. ISFs have been eliminated on the statement of net assets.

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 Charleston County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 167 through 169 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 both government-wide and fund financial statements. Notes are presented on pages 62 through 120 of the report.

Other Information. Individual statements, which present more detailed views of nonmajor funds used in governmental and business-type funds, begin on page 141. Additional trend information about the County, which may be of interest to the reader, is found under the Statistical section of this report, starting on page 174.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Charleston County, assets exceeded liabilities by \$228,296 at the close of fiscal year 2009. This was a decrease of \$37,903 or 14.2 percent during fiscal year 2009.

The largest portion of the County's net assets (\$127,200 or 55.7 percent) is investment in capital assets (e.g., land, building, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. An additional \$18,434 or 8.1 percent is being held by the County as cash and investments to be used for the planned purchase/construction of additional capital assets already approved by County Council. Charleston County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

Unrestricted net assets of \$34,625 or 15.2 percent indicate the portion of net assets which can be used for day-to-day operations without constraints established by legislation or other legal requirements.

An additional portion of the County's net assets, \$48,038 or 21.0 percent, represents resources that are subject to external restrictions on how they may be used.

At the end of 2009 the County had positive balances in all four categories of net assets both for the County as a whole, as well as the business-type activities. The governmental activities had positive balances in three of the four categories. Unrestricted net assets have a negative balance resulting from the County spending proceeds from the 2006 and 2008 transportation and road sales tax general obligation bonds for greenbelt purchases, where the asset does not belong to the County. In addition, road projects funded by the bonds are for non-county roads, and are not being recorded as County assets.

Charleston County's Net Assets
June 30, 2009
(Recapped from page 39)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008 (restated)	2009	2008 (restated)	2009	2008 (restated)
Current and other assets	\$473,705	\$557,461	\$ 89,434	\$ 87,185	\$563,139	\$644,646
Capital assets	276,214	235,534	44,033	45,391	320,247	280,925
Total assets	\$749,919	\$792,995	\$133,467	\$132,576	\$883,386	\$925,571
Long-term liabilities						
outstanding	\$438,020	\$455,578	\$ 17,721	\$ 19,204	\$455,741	\$474,782
Other liabilities	187,250	176,382	12,099	8,208	199,349	184,590
Total liabilities	\$625,270	\$631,960	\$ 29,820	\$ 27,412	\$655,090	\$659,372
Net assets:						
Invested in capital assets, net of related debt	\$ 99,410	\$ 102,685	\$ 27,790	\$ 26,840	\$127,200	\$129,525
Restricted for future construction	9,233	82,344	9,201	5,483	18,434	87,827
Restricted - other	17,264	37,678	30,774	32,538	48,038	70,216
Unrestricted	(1,258)	(61,672)	35,882	40,303	34,624	(21,369)
Total net assets	\$124,649	\$161,035	\$103,647	\$105,164	\$228,296	\$266,199

The County's net assets decreased by \$37,903 during the current fiscal year. The governmental activities had a decrease in net assets of \$36,386. This is due primarily to expenditures in the transportation and road sales tax special revenue fund. During fiscal year 2009 approximately \$17,000 of proceeds from the 2008 transportation sales tax general obligation bond (GOBs) were awarded to municipalities to acquire greenspace within the County. This property is not an asset of Charleston County. In addition, approximately \$18,000 of proceeds from the 2006 and 2008 transportation sales tax GOBs were used to construct and improve roads that are not assets of the County.

The business type activities had a decrease in net assets of \$1,517 resulting primarily from activity in the environmental management fund.

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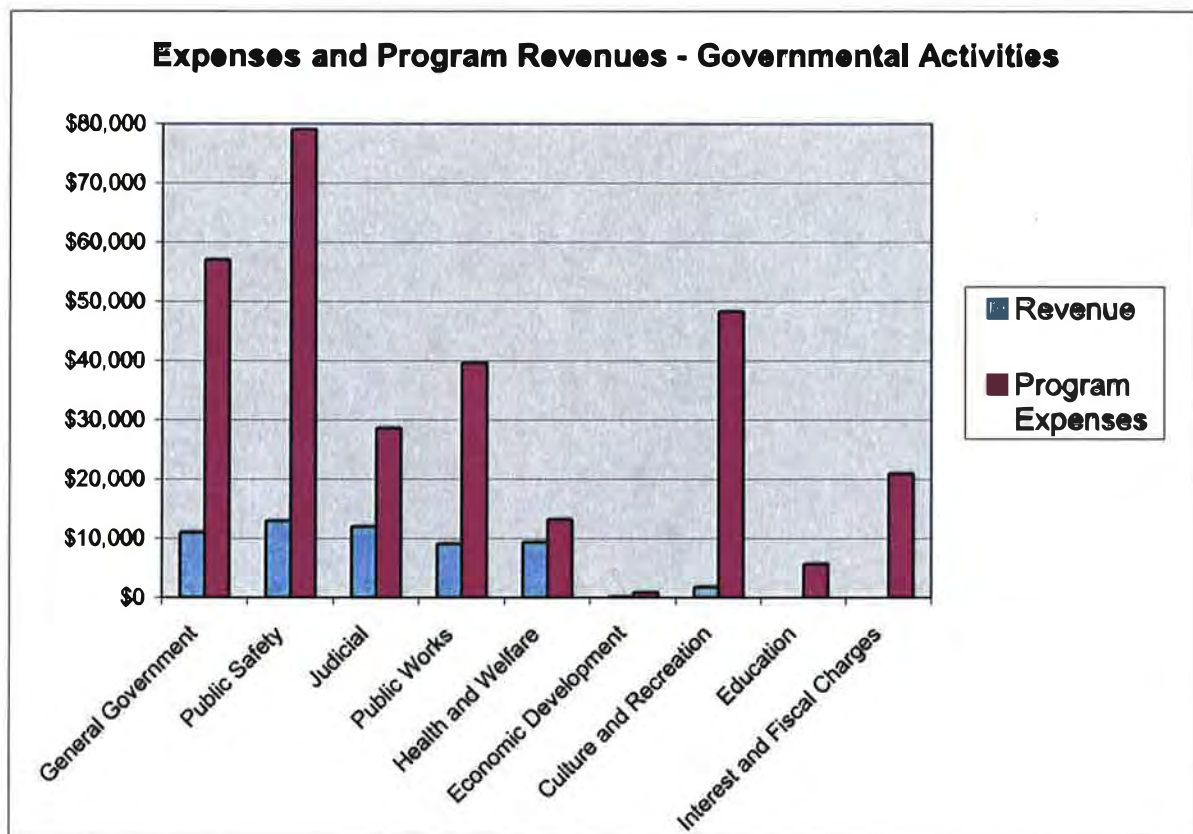


County of Charleston, South Carolina
Changes in Net Assets (Recapped from pages 40 and 41)
For the Fiscal Year Ended June 30, 2009

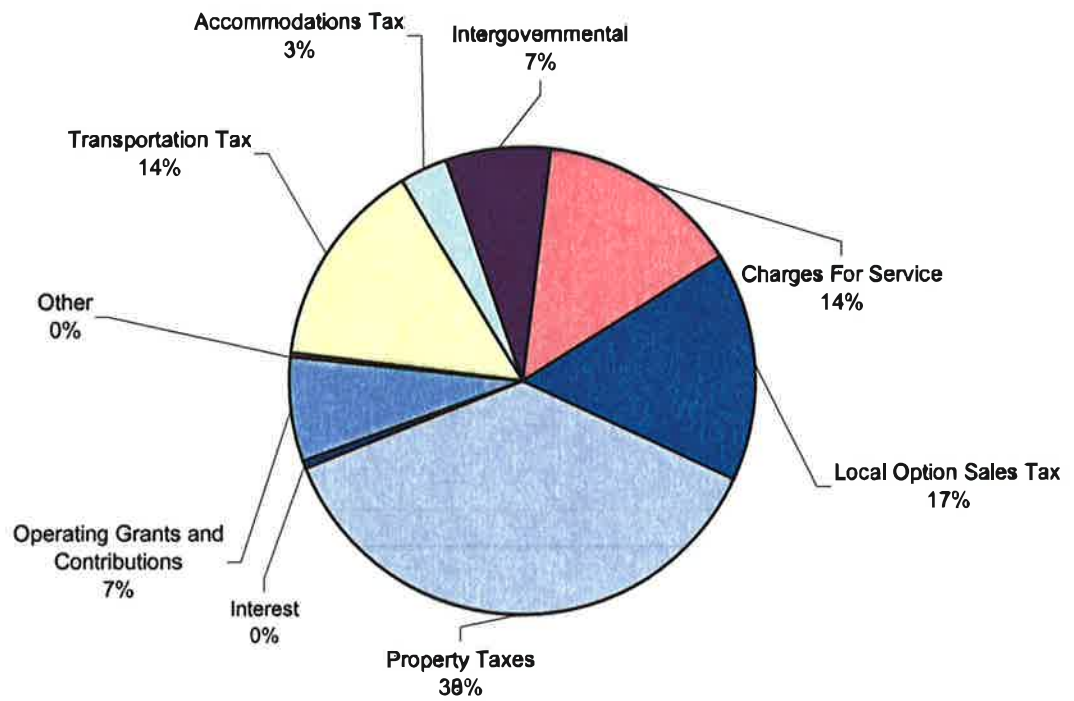
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 37,585	\$ 45,308	\$ 49,363	\$ 53,979	\$ 86,948	\$ 99,287
Operating grants and contributions	18,703	20,815	2,662	3,081	21,365	23,896
General Revenues:						
Property taxes	96,622	86,508	-	-	96,622	86,508
Other taxes and fees	89,958	97,445	554	554	90,512	97,999
State aid to political subdivisions	17,037	17,865	-	-	17,037	17,865
Unrestricted investments earnings	1,174	3,749	748	2,446	1,922	6,195
Gain on sale of capital assets	-	-	44	66	44	66
Total Revenues	261,079	271,690	53,371	60,126	314,450	331,816
Program Expenses:						
Governmental Activities:						
General government	57,001	65,853	-	-	57,001	65,853
Public safety	79,005	79,153	-	-	79,005	79,153
Judicial	28,605	22,201	-	-	28,605	22,201
Public works	39,606	31,011	-	-	39,606	31,011
Health and welfare	13,211	12,879	-	-	13,211	12,879
Economic development	858	3,228	-	-	858	3,228
Culture and recreation	48,254	53,822	-	-	48,254	53,822
Education	5,652	5,325	-	-	5,652	5,325
Interest and fiscal charges	20,935	18,462	-	-	20,935	18,462
Business-Type Activities:						
DAODAS	-	-	8,977	9,349	8,977	9,349
E-911 communications	-	-	1,096	1,016	1,096	1,016
Environmental management	-	-	43,209	39,065	43,209	39,065
Parking garages	-	-	2,149	2,008	2,149	2,008
Radio communications	-	-	2,153	1,974	2,153	1,974
Revenue collections	-	-	1,642	1,724	1,642	1,724
Total Expenses	293,127	291,934	59,226	55,136	352,353	347,070
Excess (deficiency) of revenue over (under) expenses	(32,048)	(20,244)	(5,855)	4,990	(37,903)	(15,254)
Transfers	(4,338)	(3,882)	4,338	3,882	-	-
Increase (Decreases) in Net Assets	(36,386)	(24,126)	(1,517)	8,872	(37,903)	(15,254)
Net assets, beginning	161,035	174,751	105,164	96,292	266,199	271,043
Prior Period Adjustments	-	10,410	-	-	-	10,410
Net Assets, beginning adjusted	161,035	185,161	105,164	96,292	266,199	281,453
Net Assets, ending	\$124,649	\$161,035	\$103,647	\$105,164	\$228,296	\$266,199

Governmental Activities. Governmental activity decreased the County's net assets by \$36,386. Key elements of the decrease are:

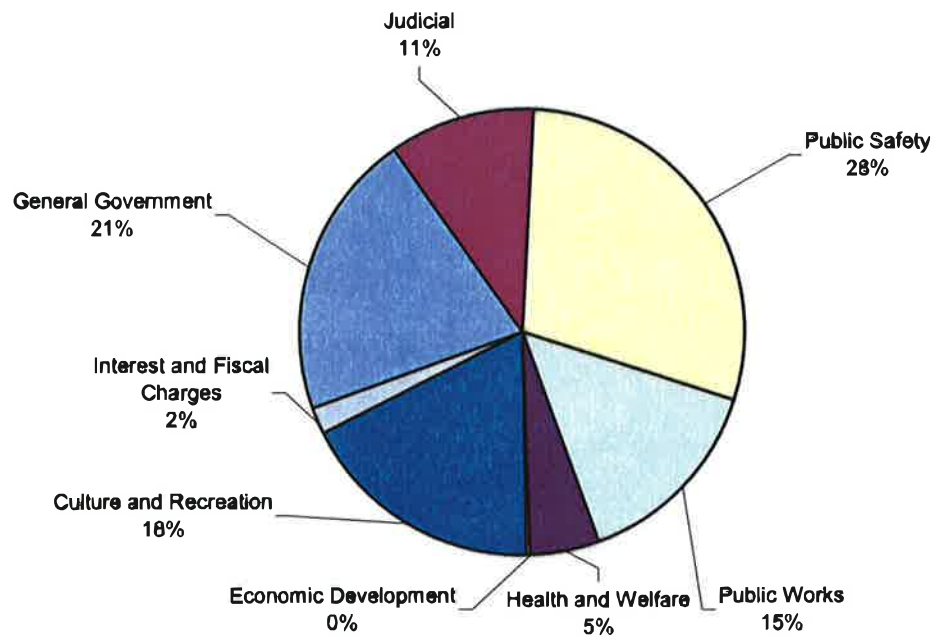
- Charges for services decreased by \$7,723 (17.0 percent) during the year. RMC fees, EMS fees and interest earnings in the transportation sales tax fund all decreased during the year.
- Other taxes and fees decreased by \$7,487 (7.7 percent). Local option sales tax revenues decreased \$3,373, accommodations taxes decreased by \$1,008 and the transportation sales tax decreased by \$2,627. All of these decreases can be attributed to the recession.
- Operating grants and contributions decreased by \$2,112 (10.1 percent) during the year. This is due to a one-time grant of \$2,075 received by the economic development department for Vought Aircraft Industries in fiscal year 2008. This was a pass-through grant from the Department of Commerce to reimburse for site preparation for the plant to build the fuselage of the Boeing 787.
- Investment earnings decreased by \$2,575 (68.7 percent) during the year which reflects the sharp decline in interest rates during fiscal year 2009.
- Property taxes increased by \$10,114 (11.7 percent) due to growth in the property base. This growth can be attributed to new construction and a change in the state law which allows growth in property values to be recognized when the property is sold.
- Expenses for the year increased by \$1,193. The Ninth Circuit Public Defender became part of Charleston County government in fiscal year 2009. A change in state law called for the dissolution of the existing public defender corporations and the creation of circuit public defender offices. This treatment is similar to the Circuit Solicitors. The Ninth Circuit Public Defender office added an additional \$4,419 in expenditures for fiscal year 2009. A budget freeze was put into place during fiscal year 2009 due to revised revenue expectations because of the economy. This freeze reduced total expenditures in the general fund by \$4,550 as compared to fiscal year 2008.



Revenues by Source - Governmental Activities



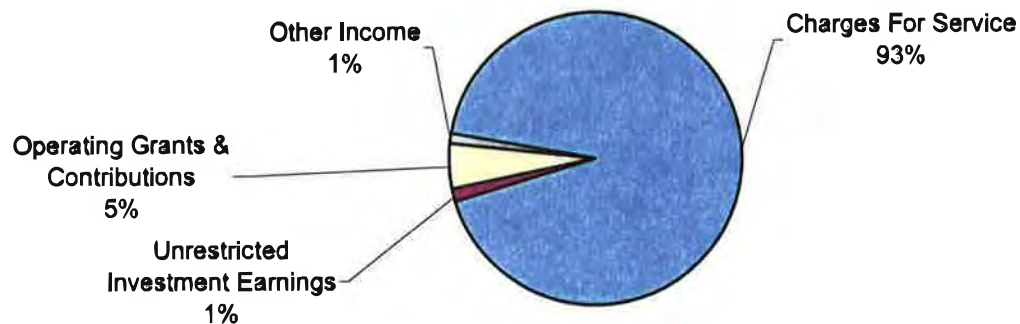
Expenses by Program - Governmental Activities



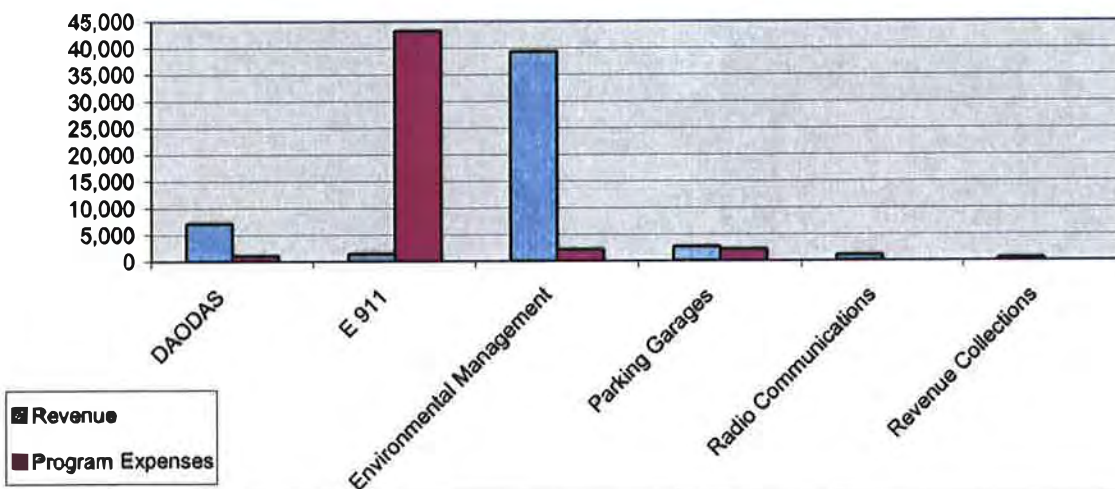
Business-type Activities. Business-type activities decreased the County's net assets by \$1,517. The key elements of this decrease were:

- Total revenues for the business-type activities decreased by \$6,755. The majority of this decrease comes from the environmental management fund. Revenues from the sale of recyclables dropped by \$1,400. It is not unusual to see large swings in the revenues coming from the volatile recycling market. Tipping fees at the landfill decreased by \$2,400; results of the decision during fiscal year 2009 to stop accepting construction and demolition debris at the landfill. Interest earnings fell by \$1,400 due to the drop in interest rates because of the recession. Finally, revenues from the sale of electricity sales fell by \$1,300 due to a decrease of garbage burned at the incinerator which produced less electricity.
- Total expenses increased by \$4,090. This increase is primarily due to the environmental management fund. Expenses for landfill closure and post-closure care costs accounts increased \$1,680 which reflects landfill use over the year. Contractual expenses grew by \$2,159 due to work on the closure of a cell at the Bees Ferry landfill.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$319,737, a decrease of \$87,624 in comparison with the prior year. Of this decrease amount, \$33,933 resulted from the transportation and road sales tax special revenue fund and \$50,275 occurred in the GOB Capital Projects fund. Approximately 17 percent or \$53,064 of this ending fund balance constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$49,633), 2) to pay debt service (\$17,264), 3) to pay for capital projects as restricted by bond covenants (\$27,529), 4) reserved for inventories and prepaid items (\$699), or 5) reserved for transportation and roads sales tax special revenue fund projects (\$171,548).

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$43,677 while total fund balance reached \$45,712. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 28.1 percent of total general fund expenditures, while total fund balance represents 29.4 percent of that same amount. Undesignated fund balance was \$29,408 or 18.9 percent of expenditures. This meets the County's financial policy of maintaining an undesignated fund balance of 1½ to 2 months of undesignated fund balance. The net increase in the fund balance of the general fund was \$983 during the current year. Highlights of the general fund were as follows:

- An increase of \$5,156 in taxes and local option sales tax which is 1.0 percent over the previous year. This results from growth in property tax collections offset by a decrease in local option sales tax collections.
- A decrease of \$4,012 in service charges due to the reduction in number of homes sold because of the recession. This resulted in a decrease in the volume of deed changes filed with the RMC's office which decreased revenues from the fees for these recordings.
- A decrease of \$2,437 in interest earnings due to sharply dropping interest rates in fiscal year 2009 due to the recession.
- A decrease of \$1,220 in permits and licenses due to a drop in construction activity in fiscal year 2009 which can be attributed to the recession.
- A decrease in expenditures of \$4,550. This was the result of a several-step budget freeze action taken by the County Administrator during fiscal year 2009.
- A decrease of \$3,416 in transfers out due to the elimination of one-time funding for OPEB during fiscal year 2008.
- An increase of \$2,030 in transfers in due to a resizing of net assets in the DAODAS enterprise fund and the employee benefits internal service fund, and the resizing of fund balance in the public works construction capital projects fund.

Capital Projects Funds. Capital projects funds have a combined total fund balance of \$27,529. These funds are 100 percent reserved either to cover existing encumbrances or for future capital construction. The fund balance for General Obligation Bond Capital Projects fund is \$18,296 and is shown as a major fund. The nonmajor funds total \$9,233 and are shown on pages 131 through 132 and 138. The fund balance for the capital projects funds decreased \$54,816 from fiscal year 2008 as the construction of the addition to the detention center was underway.

Special Revenue Funds. The special revenue funds have a combined total fund balance of \$229,232. The transportation and road sales tax special revenue fund balance is \$206,186 and is shown as a major fund. The remaining funds of \$23,046 are all nonmajor funds. The fund balance for the nonmajor special revenue funds is made up of \$9,387 designated for subsequent years' appropriations, and \$13,659 reserved for encumbrances. Nonmajor special revenue funds are shown on pages 128 through 131, and 134 through 137. The fund balance for the special revenue funds decreased \$31,043 from the prior year resulting from spending on noncounty assets in the transportation and road sales tax special revenue fund.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Total net assets for these funds at June 30, 2009 are \$85,173 (before the elimination of internal service fund charges and indirect costs.) The major funds are environmental management and the parking garages with total net assets of \$71,690. The nonmajor proprietary funds have total net assets of \$13,483. These funds include E-911 communications, DAODAS, radio communications and revenue collections. See pages 50 through 55, 154 through 159 and 161 through 165 for the proprietary funds statements.

As of the end of the current fiscal year, Charleston County's proprietary funds reported combined ending net assets of \$85,173 (before internal eliminations), a decrease of \$4,358 in comparison with prior year. The environmental management fund accounted for \$5,000 of this decrease. The fiscal year 2009 budget included the use of \$3,626 of fund balance. The use of fund balance in fiscal year 2009 increased by \$1,374 due to lower than anticipated interest earnings due to the recession.

General Fund Budgetary Highlights

Over the course of the year, County Council did not amend the original budget. Several rounds of budget freezes were enacted during the year, moving budgets from individual departments to "nondepartmental."

Actual revenues were \$9,378 under budget. The most significant revenue variances are outlined below:

- Property and local option sales taxes were under budget \$3,135 or 2.8 percent due to the drop in sales tax collections during the year. Local option sales tax collections are used to reduce property taxes by providing a credit on the tax bill. The County has always budgeted to give a credit equal to 100 percent of anticipated collections. For fiscal year 2009 the credit exceeded actual sales tax collection. The credit is set in September when the millage rate is set for the year. The credit was set before the recession became evident.
- Service charges were \$2,935 under budget. This is due primarily to a reduction in fees collected by the Register of Mesne Conveyance (RMC). These fees are for title changes when property is sold. The recession resulted in a downturn in the housing market which led to a reduction in sales. This resulted in a large decrease in RMC documentation stamp revenues.
- Permits and licenses were \$1,610 under budget. Actual revenues were under budget in two main areas; building services and business licenses. Reduced revenues in building services were due to the recession which led to a reduction in new construction. The reduction in business licenses were also due to the recession.
- Interest earnings were \$953 below budget due to reductions in interest rates during the fiscal year.

- Interfund transfers in exceeded the budget by \$2,134. This resulted from a resizing of fund balances for the public works construction capital projects fund and net assets for the employee benefits internal service fund and the DAODAS enterprise fund.

Actual expenditures were \$11,557 below the final budget amounts. The most significant contributions to this variance were the following:

- The nondepartmental expenditures were \$4,283 below budget. Transfers were made to the "nondepartmental" department to account for the reductions in the budgets under the control of the County Administrator due to the budget freezes.
- Sheriff's Office expenditures were \$1,317 under budget. This resulted from savings in fleet fuel costs as fuel prices dropped substantially from prices during fiscal year 2008.
- The Public Works department had expenditures that were \$1,328 below budget. As with the Sheriff's Office, the largest savings was in fuel costs.
- Facilities management was \$831 under budget. This resulted primarily from the decision to make payments on capital leases from the debt service fund rather than the general fund. The budget included a payment on a building that the County is acquiring through a capital lease agreement.
- Technology services was \$472 under budget resulting from savings on annual maintenance contracts for printers and other equipment. Consolidated dispatch was \$311 under budget due to personnel lapse.

Capital Asset and Debt Administration

Capital Assets. Charleston County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$320,248 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The total increase in the County's investment in capital assets for the current fiscal year was 14 percent and is primarily due to the expansion to the County's detention center. This project was still in progress at fiscal year end.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land and easements	\$ 16,334	\$ 16,334	\$ 3,951	\$ 3,951	\$ 20,285	\$ 20,285
Buildings	144,069	147,844	17,440	18,002	161,509	165,846
Improvements other than buildings	829	1,682	305	362	1,134	2,044
Machinery and equipment	30,084	33,042	6,253	7,118	36,337	40,160
Infrastructure	16,522	18,798	-	-	16,522	18,798
Construction in progress	68,377	17,833	16,084	15,958	84,461	33,791
Total	<u>\$ 276,215</u>	<u>\$ 235,533</u>	<u>\$ 44,033</u>	<u>\$ 45,391</u>	<u>\$ 320,248</u>	<u>\$ 280,924</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 85 through 89 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had total certificates of participation (COPs) and bonded debt outstanding of \$427,000. Of this amount, \$363,445 comprises debt backed by the full faith and credit of the government, \$55,731 is comprised of certificates of participation secured by the capital assets constructed with their proceeds, and \$7,824 is comprised of revenue bond debt secured solely by solid waste user fees.

In addition to the bonded debt Charleston County has signed a contract with the S.C. Infrastructure Bank to pay \$3,000 a year starting on January 1, 2004, for a period of 25 years as the County's commitment toward the new Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2009, this obligation is recorded at a net present value of \$34,192 using a discount rate of 5.73%. This is the same rate the Bank is repaying its loan from the federal government, using the money received from the County.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 363,445	\$ 373,504	\$ -	\$ -	\$ 363,445	\$ 373,504
Certificates of participation	47,313	52,628	8,418	9,357	55,731	61,985
Revenue bonds	-	-	7,824	9,195	7,824	9,195
Intergovernmental note payable	34,192	35,177	-	-	34,192	35,177
Total	\$ 444,950	\$ 461,309	\$ 16,242	\$ 18,552	\$ 461,192	\$ 479,861

The County's total bonded debt decreased by \$18,669 (4 percent) during the current fiscal year. No additional debt was issued during fiscal year 2009. The County did issue general obligation bonds of \$70,775 in August 2009, subsequent to these statements. These bonds included \$50,000 of new money and \$20,775 for refunding outstanding bonds. The new money will be used to complete the expansion of the detention center and for the construction of a consolidated dispatch operations center.

Charleston County achieved an "AAA" rating from Standard & Poor's Rating Group and maintains an "Aa1" rating from Moody's Investors Service for its most recent general obligation bonds. The certificates of participation and revenue bonds are all insured issues and are rated "AAA" by Moody's Investors Service and "AAA" by Standard & Poor's Rating Group.

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current available G.O. debt limit for Charleston County is \$106,365. The outstanding debt at June 30, 2009 subject to the debt limitation is \$132,863.

Additional information on the County's long-term debt can be found in Note III. I. on pages 92 through 106 of this report.

Economic Factors and Next Year's Budget Rates:

The fiscal year 2010 general fund budget is a balanced budget. Total disbursements are \$167,452, a decrease of \$3,759 or 2.2 percent from the prior year. The budget includes the use of \$6,268 of fund balance for capital projects including the detention center expansion. The millage rate for both the general fund and the debt service fund remains at 46.8 mills, unchanged from fiscal year 2009. The local option sales tax credit was decreased reflecting the continuation of slow sales during fiscal year 2010.

The General Fund budgeted revenues for fiscal year 2010 decreased by \$7,615 or 4.6 percent from 2009. The major changes are:

- State aid to local subdivisions is decreased \$4,717 or 24.8 percent. This reflects reductions that were made by the state in fiscal 2009 and 2010. These reductions were made because of reduced state revenues due to the recession. The state general assembly voted not to follow the prescribed local government funding formula for fiscal year 2010 and to fund local governments at an amount less than is called for per local government fund formula.
- Interest income is reduced \$1,300 or 40.6 percent reflective of the decline in interest rates in 2009. It is not anticipated that interest rates will recover during fiscal year 2010.
- Business Licenses are projected to decrease \$1,000 or 25.0% in fiscal year 2010. The calculation of business license revenues is based on business income for the calendar year. It is expected that these revenues will drop based on poor sales during calendar 2009.

The General Fund budgeted disbursements for fiscal year 2010 are decreased \$3,759 or 2.2 percent from fiscal year 2009. The major changes for fiscal year 2010 are:

- Elimination of budget dollars frozen by the County Administrator during fiscal year 2009 resulted in savings of \$4,280. The County Administrator took several actions during fiscal year 2009 to freeze spending. These cuts have been included in the fiscal year 2010 budget.
- The budget for the detention center is increased \$1,183 due to the addition of 55 full-time positions in the last half of the fiscal year. These positions are needed to staff the detention center expansion which is expected to open during the last quarter of the fiscal year. Total FTEs for the County did not change for fiscal year 2010. Positions for the detention center came from frozen vacant FTEs.

Subsequent to the beginning of fiscal year 2010 the Budget and Control Board recognized that it had miscalculated the local government fund for fiscal year 2010. The reduction in the distribution to Charleston County will be \$647,000. In addition, the Budget and Control Board is projecting revenue shortfalls for the state in fiscal year 2010. Funding cuts have been made to state agencies, but no action has been taken to-date to reduce funding for local government fund.

Requests for Information

This financial report is designed to provide a general overview of Charleston County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to the Finance Department, 4045 Bridge View Drive, North Charleston, SC 29405-7464.

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BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Non-pooled cash and cash equivalents	\$ 3,979,171	\$ 281,004	\$ 4,260,175	\$ 36,227,654
Pooled cash and cash equivalents	57,399,127	14,048,543	71,447,670	-
Pooled investments	236,600,477	-	236,600,477	-
Non-pooled investments	-	-	-	3,578,505
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash - current portion	-	1,450,187	1,450,187	-
Receivables (net of allowances for uncollectibles)	173,039,961	18,085,029	191,124,990	37,156,996
Due from primary government	-	-	-	290,331
Internal balances - current	(5,834,806)	5,834,806	-	-
Inventories	1,012,437	-	1,012,437	582,507
Prepaid items and deposits	-	-	-	449,296
Note receivable - internal balances	(340,499)	340,499	-	-
Deferred issuance costs	1,742,766	311,883	2,054,649	242,182
Restricted assets - non-current:				
Temporarily restricted:				
Cash and cash equivalents	1,315,017	47,631,063	48,946,080	3,737,454
Non-pooled investments	4,665,961	1,451,654	6,117,615	-
Capital assets, net of accumulated depreciation:				
Land and easements - nondepreciable	16,334,159	3,950,930	20,285,089	55,137,895
Construction in progress - nondepreciable	68,377,801	16,083,949	84,461,750	1,162,555
Infrastructure - nondepreciable	8,431,074	-	8,431,074	-
Artwork - nondepreciable	-	-	-	11,000
Buildings	144,068,729	17,440,202	161,508,931	58,932,433
Improvements other than buildings	828,940	305,152	1,134,092	19,451,578
Machinery and equipment	30,083,928	6,252,566	36,336,494	29,208,343
Infrastructure	8,090,132	-	8,090,132	39,868,111
Library materials	-	-	-	22,400,697
Accumulated depreciation	-	-	-	(77,666,694)
Total assets	749,919,375	133,467,467	883,386,842	230,770,843
<u>LIABILITIES</u>				
Accounts payable	15,568,357	6,919,147	22,487,504	1,782,325
Accrued payroll and fringe benefits	3,120,112	474,879	3,594,991	1,430,827
Due to component units	290,331	-	290,331	-
Intergovernmental payable	6,318,921	1,250,406	7,569,327	38,455
OPEB liability payable	8,286,334	-	8,286,334	-
Due to third parties	8,398	-	8,398	-
Interest payable	4,175,486	171,236	4,346,722	441,771
Unearned revenue	128,969,211	2,060	128,971,271	36,805,125
Noncurrent liabilities:				
Due within one year	20,513,454	3,281,275	23,794,729	6,257,708
Due in more than one year	438,019,897	17,721,485	455,741,382	31,593,197
Total liabilities	625,270,501	29,820,488	655,090,989	78,349,408
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	99,409,429	27,790,358	127,199,787	116,628,652
Temporarily restricted	-	-	-	5,000
Restricted for:				
Incinerator operations	-	28,039,650	28,039,650	-
Construction and capital projects	9,233,137	9,200,833	18,433,970	-
Debt service	17,263,879	2,734,047	19,997,926	8,872,721
Beach renourishment	-	-	-	284,869
Unrestricted	(1,257,571)	35,882,091	34,624,520	26,630,193
Total net assets	\$ 124,648,874	\$ 103,646,979	\$ 228,295,853	\$ 152,421,435

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 57,001,166	\$ 10,852,721	\$ 170,101	\$ -	\$ (45,978,344)	\$ -	\$ (45,978,344)	\$ -
Public safety	79,004,932	11,079,419	1,912,921	-	(66,012,592)	-	(66,012,592)	-
Judicial	28,605,375	9,285,809	2,721,718	-	(16,597,848)	-	(16,597,848)	-
Public works	39,605,730	4,123,329	4,953,445	-	(30,528,956)	-	(30,528,956)	-
Health and welfare	13,211,079	476,756	8,848,590	-	(3,885,733)	-	(3,885,733)	-
Economic development	858,483	-	96,467	-	(762,016)	-	(762,016)	-
Culture and recreation	48,254,152	1,767,195	-	-	(46,486,957)	-	(46,486,957)	-
Education	5,651,921	-	-	-	(5,651,921)	-	(5,651,921)	-
Interest and fiscal charges	20,934,569	-	-	-	(20,934,569)	-	(20,934,569)	-
Total governmental activities	293,127,407	37,585,229	18,703,242	-	(236,838,936)	-	(236,838,936)	-
Business-type activities:								
DAODAS	8,976,846	4,700,331	2,365,083	-	-	(1,911,432)	(1,911,432)	-
E-911 Communications	1,096,409	1,429,854	-	-	-	333,445	333,445	-
Environmental Management	43,209,125	38,969,998	296,555	-	-	(3,942,572)	(3,942,572)	-
Parking Garages	2,149,055	2,698,693	-	-	-	549,638	549,638	-
Radio Communications	2,153,163	1,099,255	-	-	-	(1,053,908)	(1,053,908)	-
Revenue Collections	1,641,615	464,550	-	-	-	(1,177,065)	(1,177,065)	-
Total business-type activities	59,226,213	49,362,681	2,661,638	-	-	(7,201,894)	(7,201,894)	-
Total primary government	\$ 352,353,620	\$ 86,947,910	\$ 21,364,880	\$ -	(236,838,936)	(7,201,894)	(244,040,830)	-
Component Units:								
Charleston County Library	\$ 15,757,480	\$ 599,925	\$ 14,398,507	\$ 471,153	-	-	-	(287,895)
Charleston County PRC	26,374,523	11,527,096	-	12,657,378	-	-	-	(2,190,049)
Cooper River Park & Playground	268,428	-	-	-	-	-	-	(268,428)
James Island PSD	11,375,430	4,732,404	-	220,500	-	-	-	(6,422,526)
North Charleston District	1,434,502	-	-	-	-	-	-	(1,434,502)
St. Andrew's Parish Parks & Playground	3,029,930	1,505,031	6,948	-	-	-	-	(1,517,951)
St. John's Fire District	9,296,099	-	-	-	-	-	-	(9,296,099)
St. Paul's Fire District	4,215,886	-	-	-	-	-	-	(4,215,886)
Charleston County Vounteer Rescue Squad	367,597	-	336,972	-	-	-	-	(30,625)
Total component units	\$ 72,119,875	\$ 18,364,456	\$ 14,742,427	\$ 13,349,031	-	-	-	(25,663,961)

General Revenues:				
Property taxes				
Charleston County PRC	96,621,772	-	-	96,621,772
Cooper River Park & Playground	-	-	-	-
James Island PSD	-	-	-	-
North Charleston District	-	-	-	-
St. Andrew's Parish Parks & Playground	-	-	-	-
St. John's Fire District	-	-	-	-
St. Paul's Fire District	-	-	-	-
Local option sales tax	41,085,569	-	-	41,085,569
Transportation sales tax	37,469,812	-	-	37,469,812
Accommodations tax	8,864,365	-	-	8,864,365
Franchise tax	793,067	-	-	793,067
Alcohol beverage tax	-	542,927	-	542,927
Merchants inventory tax and manufacturer's depreciation	1,607,308	10,832	-	1,618,140
Motor carrier tax	138,236	-	-	138,236
Unrestricted state aid to political subdivisions	17,036,681	-	-	17,036,681
Grants and contributions not restricted to specific program	-	-	-	-
Unrestricted investment earnings	1,173,784	747,835	-	1,921,619
Gain on sale of capital assets	-	45,467	-	45,467
Fundraising and donations	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	(4,337,551)	4,337,551	-	-
Total general revenues and transfers	200,453,043	5,684,612	206,137,655	41,201,530
Change in net assets				
Net assets - beginning, as restated (see Note II. B.)	(36,385,893)	(1,517,282)	(37,903,175)	15,537,569
Net assets - ending	161,034,767	105,164,261	266,199,028	136,883,866
	\$ 124,648,874	\$ 103,646,979	\$ 228,295,853	\$ 152,421,435

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	ASSETS					Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Debt Service							
Non-pooled cash and cash equivalents	\$ 1,747,929	\$ -	\$ -			\$ -	\$ -	\$ 2,231,242	\$ 3,979,171
Pooled cash and cash equivalents	859,485	570,289	8,985,037				1,099,922	28,769,259	40,283,992
Pooled investments	17,658,203	11,717,638	184,626,215				22,598,421	-	236,600,477
Restricted cash and cash equivalents	-	114,517	-			-	-	1,200,500	1,315,017
Restricted investments	-	4,665,961	-			-	-	-	4,665,961
Receivables (net of allowances for uncollectibles)	125,097,774	17,881,556	15,552,589			-	-	14,454,754	172,986,673
Due from other funds	14,376,941	-	-			-	-	-	14,376,941
Inventories	698,879	-	-			-	-	-	698,879
Total assets	\$ 160,439,211	\$ 34,949,961	\$ 209,163,841			\$ 23,698,343	\$ 46,655,755	\$ 474,907,111	
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,481,535	\$ -	\$ 2,949,107			\$ 5,401,558	\$ 1,418,682	\$ 12,250,882	
Accrued payroll and fringe benefits	2,608,773	-	27,626			-	380,659	3,017,058	
Due to component units	290,331	-	-			-	-	290,331	
Due to other funds	584,882	-	-			-	1,737,539	2,322,421	
Intergovernmental payable	2,140,285	-	1,143			786	3,855,354	5,997,568	
Due to third parties	8,398	-	-			-	-	8,398	
Deferred revenue	106,613,160	17,686,082	-			-	6,984,617	131,283,859	
Total liabilities	114,727,364	17,686,082	2,977,876			5,402,344	14,376,851	155,170,517	
Fund balances:									
Reserved for inventories	698,879	-	-			-	-	698,879	
Reserved for encumbrances	1,336,318	-	34,637,560			-	13,658,808	49,632,686	
Reserved for debt service	-	17,263,879	-			-	-	17,263,879	
Reserved for transportation and road sales tax special revenue fund	-	-	171,548,405			-	-	171,548,405	
Reserved for capital projects	-	-	-			18,295,999	9,233,137	27,529,136	
Unreserved:									
Designated for rainy day	8,000,000	-	-			-	-	8,000,000	
Designated for subsequent years' appropriation - general fund	6,268,284	-	-			-	-	6,268,284	
Designated for subsequent years' appropriation - special revenue funds	-	-	-			-	9,386,959	9,386,959	
Undesignated - general fund	29,408,366	-	-			-	-	29,408,366	
Total fund balances	45,711,847	17,263,879	206,185,965			18,295,999	32,278,904	319,736,594	
Total liabilities and fund balances	\$ 160,439,211	\$ 34,949,961	\$ 209,163,841			\$ 23,698,343	\$ 46,655,755	\$ 474,907,111	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSTS OF GOVERNMENTAL ACTIVITIES
June 30, 2009

Total Governmental Fund Balances **\$ 319,736,594**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. **265,467,362**

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Deferred issuance costs	\$	1,742,766	
Property taxes		2,314,648	4,057,414

Internal service funds are used by management to charge the costs of insurance, and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. **15,336,867**

Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance. **(18,474,208)**

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds	\$	(363,444,567)	
Certificates of participation		(47,313,497)	
Leases payable		(2,907,395)	
Compensated absences		(9,452,073)	
Intergovernmental note payable		(34,192,492)	
Accrued interest payable		(4,165,131)	(461,475,155)

Net assets of governmental activities **\$ 124,648,874**

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property, local option sales and transportation sales tax	\$ 109,079,037	\$ 18,247,606	\$ 37,469,812	\$ -	\$ 7,906,353	\$ 172,702,808
Intergovernmental	22,444,621	366,237	20	-	20,330,079	43,140,957
Permits and licenses	4,437,167	-	-	-	2,575	4,439,742
Fines and forfeitures	1,899,782	-	-	-	927,115	2,826,897
Interest	1,044,620	384,294	3,914,202	692,112	373,712	6,408,940
Service charges	16,961,176	-	44,328	-	11,325,652	28,331,156
Rental and use of property	580,707	-	-	-	52,034	632,741
Other revenues	4,035,063	-	-	-	1,660,627	5,695,690
Total revenues	160,482,173	18,998,137	41,428,362	692,112	42,578,147	264,178,931
Expenditures:						
Current:						
General government	42,681,499	-	8,552,270	-	10,000	51,243,769
Public safety	70,622,385	-	-	-	4,405,753	75,028,138
Judicial	15,787,755	-	-	-	7,603,076	23,390,831
Public works	8,215,240	-	23,942,131	-	4,466,717	36,624,088
Health and welfare	3,850,047	-	36,973	-	8,989,638	12,876,658
Economic development	-	-	-	-	858,031	858,031
Culture and recreation	14,232,540	-	27,834,395	-	5,832,219	47,899,154
Education	-	-	-	-	5,651,921	5,651,921
Capital outlay	-	25,876,449	11,995,513	50,966,780	4,808,360	55,775,140
Debt service	-	25,876,449	72,361,282	-	144,656	38,016,618
Total expenditures	155,389,466	25,876,449	72,361,282	50,966,780	42,770,371	347,364,348
Excess (deficiency) of revenues over (under) expenditures	5,092,707	(6,878,312)	(30,932,920)	(50,274,668)	(192,224)	(83,185,417)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	-	775,100	775,100
Transfers in	4,866,529	5,412,005	9,408,158	-	11,040,622	30,727,314
Transfers out	(8,977,887)	(972,320)	(12,408,158)	-	(13,802,661)	(36,161,026)
Proceeds from sale of capital assets	2,122	-	-	-	218,225	220,347
Total other financing sources (uses)	(4,109,236)	4,439,685	(3,000,000)	-	(1,768,714)	(4,438,265)
Net change in fund balances	983,471	(2,438,627)	(33,932,920)	(50,274,668)	(1,960,938)	(87,623,682)
Fund balances at beginning of year (As restated)	44,728,376	19,702,506	240,118,885	68,570,667	34,239,842	407,360,276
Fund balances at end of year	\$ 45,711,847	\$ 17,263,879	\$ 206,185,965	\$ 18,295,999	\$ 32,278,904	\$ 319,736,594

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds **\$ (87,623,682)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital asset additions	\$ 52,710,904	
Depreciation expense	<u>(11,337,202)</u>	41,373,702

In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets:

Cost of capital assets	3,848,853	
Accumulated depreciation	<u>(3,592,298)</u>	
Net book value	256,555	
Proceeds	<u>(220,347)</u>	
Loss on disposal	36,208	
Difference of proceeds and loss on sale		(256,555)

Because some property taxes and other income will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds:

Property taxes and local option sales tax	403,589
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.

16,503,104

Other financing source (use) which does not provide current resources or current uses:

Capital lease proceeds	(775,100)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.

120,318

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences payable	(1,091,370)	
Deferred refunding costs and amortization of premium	<u>(487,390)</u>	(1,578,760)

To record internal service fund transfers.	1,096,161
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The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue of the internal service funds are reported with governmental activities.

137,203

Elimination of indirect income between governmental funds and the enterprise funds.

(3,110,059)

The increase of governmental expenditures to avoid the doubling up of net loss from the internal service funds.

(2,675,814)

Change in net assets of governmental activities	<u><u>\$ (36,385,893)</u></u>
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See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

REVENUES	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Property and local option sales taxes	\$ 112,214,000	\$ 112,214,000	\$ 109,079,037	\$ (3,134,963)
Intergovernmental	22,993,701	22,993,701	22,444,621	(549,080)
Permits and licenses	6,047,300	6,047,300	4,437,167	(1,610,133)
Fines and forfeitures	2,242,000	2,242,000	1,899,782	(342,218)
Interest	1,998,000	1,998,000	1,044,620	(953,380)
Service charges	19,896,950	19,896,950	16,961,176	(2,935,774)
Rental and use of property	660,000	660,000	580,707	(79,293)
Other revenues	3,808,252	3,808,252	4,035,063	226,811
Total revenues	169,860,203	169,860,203	160,482,173	(9,378,030)
EXPENDITURES				
Current:				
General Government:				
Assistant Administrator for Finance	451,777	478,569	473,038	5,531
Assistant Administrator for General Services	354,335	348,184	344,451	3,733
Assistant Administrator for Human & Environmental Services	512,621	509,596	504,269	5,327
Assessor	3,522,590	3,445,471	3,184,155	261,316
Auditor	1,903,170	1,903,170	1,777,836	125,334
Board of Elections & Voter Registration	1,453,216	1,424,252	1,364,882	59,370
Budget	670,059	653,658	580,633	73,025
Capital Projects Administration	1,205,194	1,095,883	1,037,144	58,739
County Administrator	869,785	786,984	764,967	22,017
County Council	1,974,124	1,225,200	1,068,212	156,988
Delinquent Tax	1,078,430	1,010,416	1,007,698	2,718
Facilities Management	11,442,706	10,953,870	10,123,188	830,682
Finance	1,181,064	1,113,186	1,038,084	75,102
Grants Administration	749,786	651,151	641,404	9,747
Human Resources	1,829,196	1,412,903	1,233,819	179,084
Internal Auditor	222,316	217,870	216,240	1,630
Internal Services	418,721	418,721	394,787	23,934
Legal	1,261,989	1,235,655	1,054,033	181,622
Legislative Delegation	178,085	178,085	172,595	5,490
Nondepartmental	(2,234,247)	4,241,291	(41,399)	4,282,690
Organizational Development	394,708	321,350	308,553	12,797
Planning	1,778,577	1,709,493	1,594,720	114,773
Procurement	1,018,313	989,168	821,633	167,535
Register Mesne Conveyance	2,066,454	1,913,772	1,813,451	100,321
Safety & Risk Management	2,169,693	2,003,059	1,902,846	100,213
Technology Services	8,249,601	8,178,652	7,706,301	472,351
Treasurer	1,649,959	1,649,959	1,593,959	56,000
Total general government	46,372,222	50,069,568	42,681,499	7,388,069

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Building Services	\$ 1,600,264	\$ 1,553,061	\$ 1,374,942	\$ 178,119
Consolidated Dispatch	326,945	3,346,494	3,035,784	310,710
Emergency Management	711,152	866,719	843,779	22,940
Emergency Medical Services	14,022,877	12,420,280	12,263,896	156,384
Sheriff's Office	56,083,182	54,420,896	53,103,984	1,316,912
Total public safety	72,744,420	72,607,450	70,622,385	1,985,065
Judicial:				
Clerk of Court	3,161,436	3,179,132	3,029,939	149,193
Coroner	682,267	682,267	674,456	7,811
Magistrates	4,875,514	4,848,454	4,598,674	249,780
Master-In-Equity	543,371	543,371	529,586	13,785
Medical Examiner's Commission	380,800	373,184	288,889	84,295
Probate Court	1,998,990	1,965,990	1,918,727	47,263
Solicitor	4,921,120	4,810,246	4,746,641	63,605
State Agencies	850	850	843	7
Total judicial	16,564,348	16,403,494	15,787,755	615,739
Public Works:				
Public Works Department	10,335,958	9,543,057	8,215,240	1,327,817
Total public works	10,335,958	9,543,057	8,215,240	1,327,817
Health and Welfare:				
Indigent Care	1,365,682	1,367,778	1,361,649	6,129
Public Works - Mosquito Abatement	2,380,340	2,035,626	1,877,195	158,431
State Agencies	385,859	385,859	310,563	75,296
Veterans Affairs	290,375	300,725	300,640	85
Total health and welfare	4,422,256	4,089,988	3,850,047	239,941
Culture and Recreation:				
Charleston County Library	14,523,000	14,232,540	14,232,540	-
Total culture and recreation	14,523,000	14,232,540	14,232,540	-
Total expenditures	164,962,204	166,946,097	155,389,466	11,556,631
Excess of revenues over expenditures	4,897,999	2,914,106	5,092,707	2,178,601

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 2,732,983	\$ 2,732,983	\$ 4,866,529	\$ 2,133,546
Transfers out	(10,961,780)	(8,977,887)	(8,977,887)	-
Proceeds from sale of capital assets	-	-	2,122	2,122
Total other financing sources and (uses)	<u>(8,228,797)</u>	<u>(6,244,904)</u>	<u>(4,109,236)</u>	<u>2,135,668</u>
Net change in fund balance	(3,330,798)	(3,330,798)	983,471	4,314,269
Fund balance at beginning of year	<u>44,728,376</u>	<u>44,728,376</u>	<u>44,728,376</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 41,397,578</u></u>	<u><u>\$ 41,397,578</u></u>	<u><u>\$ 45,711,847</u></u>	<u><u>\$ 4,314,269</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

ASSETS	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Current assets:					
Non-pooled cash and cash equivalents	\$ 41,772	\$ 3,000	\$ 236,232	\$ 281,004	\$ -
Pooled cash and cash equivalents	147,654	4,488,558	9,412,331	14,048,543	17,115,135
Restricted cash - current portion	1,450,187	-	-	1,450,187	-
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	16,532,481	67,845	1,484,703	18,085,029	53,288
Note receivable - current portion	60,193	-	-	60,193	-
Due from other funds	-	-	-	-	584,882
Inventories	-	-	-	-	313,558
Total current assets	18,232,287	4,559,403	11,133,266	33,924,956	18,191,863
Noncurrent assets:					
Restricted cash and cash equivalents	47,631,063	-	-	47,631,063	-
Restricted investments	1,451,654	-	-	1,451,654	-
	49,082,717	-	-	49,082,717	-
Notes receivable - non-current portion	280,306	-	-	280,306	-
Deferred issuance costs	164,510	89,179	58,194	311,883	-
Capital assets:					
Land	1,600,610	2,350,320	-	3,950,930	-
Buildings	3,519,525	11,859,212	9,554,391	24,933,128	1,695,683
Improvements other than buildings	546,245	-	270,255	816,500	-
Machinery and equipment	13,484,712	650,285	1,972,643	16,107,640	26,064,605
Construction in progress	15,958,218	125,731	-	16,083,949	-
Less accumulated depreciation	(10,655,864)	(3,648,316)	(3,555,168)	(17,859,348)	(17,012,887)
Total capital assets (net of accumulated depreciation)	24,453,446	11,337,232	8,242,121	44,032,799	10,747,401
Total noncurrent assets	73,980,979	11,426,411	8,300,315	93,707,705	10,747,401
Total assets	\$ 92,213,266	\$ 15,985,814	\$ 19,433,581	\$ 127,632,661	\$ 28,939,264

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

<u>LIABILITIES</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Current liabilities:					
Accounts payable	\$ 6,670,872	\$ 117,454	\$ 130,821	\$ 6,919,147	\$ 3,317,475
Accrued payroll and fringe benefits	198,158	27,012	249,709	474,879	103,054
Compensated absences - current	15,417	3,118	34,306	52,841	24,939
Intergovernmental payable	5,506	2,054	1,242,846	1,250,406	321,353
Due to other funds	12,639,402	-	-	12,639,402	-
OPEB liability	-	-	-	-	8,286,334
Unearned revenue	2,060	-	-	2,060	-
Accrued interest payable	134,000	20,399	16,837	171,236	10,355
Note payable - current	-	-	-	-	60,193
Lease payable - current	-	-	-	-	197,137
Certificates of participation - current	-	577,351	420,896	998,247	-
Revenue bonds - current restricted	1,450,187	-	-	1,450,187	-
Accrual for landfill closure - current	780,000	-	-	780,000	-
Total current liabilities	21,895,602	747,388	2,095,415	24,738,405	12,320,840
Noncurrent liabilities:					
Note payable	-	-	-	-	280,306
Accrual for landfill closure	2,683,000	-	-	2,683,000	-
Compensated absences	596,285	50,426	597,767	1,244,478	317,328
Lease payable	-	-	-	-	683,923
Certificates of participation (net of unamortized discounts and deferred amount on refunding)	-	4,162,151	3,257,716	7,419,867	-
Revenue bonds (net of unamortized discounts) - restricted	6,374,140	-	-	6,374,140	-
Total noncurrent liabilities	9,653,425	4,212,577	3,855,483	17,721,485	1,281,557
Total liabilities	31,549,027	4,959,965	5,950,898	42,459,890	13,602,397
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	16,629,119	6,597,730	4,563,509	27,790,358	9,525,842
Restricted for construction	9,200,833	-	-	9,200,833	-
Restricted for incinerator operations	28,039,650	-	-	28,039,650	-
Restricted for debt service	2,734,047	-	-	2,734,047	-
Unrestricted	4,060,590	4,428,119	8,919,174	17,407,883	5,811,025
Total net assets	\$ 60,664,239	\$ 11,025,849	\$ 13,482,683	85,172,771	\$ 15,336,867
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(1,341,401)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				19,815,609	
				<u>\$ 103,646,979</u>	

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 412,421	\$ 2,698,693	\$ 11,072,444	\$ 14,183,558	\$ 39,304,584
User fees	26,416,539	-	-	26,416,539	-
Energy sales	10,350,854	-	-	10,350,854	-
Sale of recyclables	1,785,055	-	-	1,785,055	-
Other revenues	5,129	-	3,625	8,754	-
Total operating revenues	38,969,998	2,698,693	11,076,069	52,744,760	39,304,584
Operating expenses:					
Personnel services	6,494,244	864,483	8,383,140	15,741,867	3,435,748
Contractual services	8,637,875	317,401	714,989	9,670,265	3,611,606
Materials and supplies	1,145,554	57,753	792,557	1,995,864	6,693,857
Utilities	123,962	163,269	888,360	1,175,591	1,342,211
Repairs and maintenance	30,507	18,206	1,305,409	1,354,122	94,656
Rental expenses	53,892	-	235,076	288,968	183,957
Vehicle fleet charges	2,192,607	7,477	40,015	2,240,099	111,359
Employee benefits	-	-	-	-	23,525,085
Other expenses	1,218,988	51,669	3,485,363	4,756,020	935,870
Incinerator operations	11,000,707	-	-	11,000,707	-
Operator's debt	11,202,561	-	-	11,202,561	-
Depreciation and amortization	1,512,580	384,373	472,438	2,369,391	2,936,977
Landfill closure	780,000	-	-	780,000	-
Total operating expenses	44,393,477	1,864,631	16,317,347	62,575,455	42,871,326
Operating income (loss)	(5,423,479)	834,062	(5,241,278)	(9,830,695)	(3,566,742)
Nonoperating revenues (expenses):					
Interest income	567,840	55,766	124,229	747,835	144,432
Interest expense	(483,323)	(275,790)	(289,675)	(1,048,788)	(28,763)
Intergovernmental revenues	296,555	-	826,337	1,122,892	-
Gain (loss) on disposal of capital assets	40,796	(1,603)	4,671	43,864	(62,331)
Total nonoperating revenues (expenses)	421,868	(221,627)	665,562	865,803	53,338
Income (loss) before transfers	(5,001,611)	612,435	(4,575,716)	(8,964,892)	(3,513,404)
Transfers out	-	(121,292)	(91,632)	(212,924)	(1,636,029)
Transfers in	1,617	-	4,548,858	4,550,475	2,732,190
Change in net assets	(4,999,994)	491,143	(118,490)	(4,627,341)	(2,417,243)
Total net assets - beginning (as restated)	65,664,233	10,534,706	13,601,173		17,754,110
Total net assets - ending	\$ 60,664,239	\$ 11,025,849	\$ 13,482,683		\$ 15,336,867
Adjustment to reflect the elimination of indirect costs charged by governmental funds				3,482,786	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(372,727)	
Change in net assets of business-type activities				\$ (1,517,282)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 26,944,785	\$ 2,674,496	\$ 11,303,299	\$ 40,922,580	\$ 261,354
Cash receipts from interfund services provided	-	-	-	-	38,970,641
Cash payments to suppliers for goods and services	(30,432,311)	(568,257)	(8,146,089)	(39,146,657)	(32,264,499)
Cash payments to employees for services	(6,381,556)	(851,550)	(8,294,793)	(15,527,899)	(3,444,021)
Net cash (used in) provided by operating activities	(9,869,082)	1,254,689	(5,137,583)	(13,751,976)	3,523,475
Cash flows from noncapital financing activities:					
Transfers in	1,617	-	4,548,858	4,550,475	2,732,190
Transfers (out)	-	(121,292)	(91,632)	(212,924)	(1,636,029)
Interfund advances	12,639,402	-	-	12,639,402	-
Intergovernmental receipt	200,638	-	703,425	904,063	-
Net cash provided by (used in) noncapital financing activities	12,841,657	(121,292)	5,160,651	17,881,016	1,096,161
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(1,370,510)	(559,062)	(461,427)	(2,390,999)	(327,420)
Interest paid	(506,740)	(266,422)	(219,893)	(993,055)	(8,905)
Proceeds from capital lease	-	-	-	-	1,130,205
Interfund loan principal payment received	56,693	-	-	56,693	-
Proceeds from sale of capital assets	76,841	1,397	4,671	82,909	427,276
Acquisition and construction of capital assets	(826,230)	(173,297)	-	(999,527)	(3,051,247)
Net cash used in capital and related financing activities	(2,569,946)	(997,384)	(676,649)	(4,243,979)	(1,830,091)
Cash flows from investing activities:					
Interest received	567,840	55,766	122,452	746,058	144,432
Net cash provided by investing activities	567,840	55,766	122,452	746,058	144,432
Net increase (decrease) in cash and cash equivalents	970,469	191,779	(531,129)	631,119	2,933,977
Cash and cash equivalents at beginning of year	48,300,207	4,299,779	10,179,692	62,779,678	14,306,158
Cash and cash equivalents at end of year	\$ 49,270,676	\$ 4,491,558	\$ 9,648,563	\$ 63,410,797	\$ 17,240,135
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 41,772	\$ 3,000	\$ 236,232	\$ 281,004	\$ -
Pooled cash and cash equivalents	147,654	4,488,558	9,412,331	14,048,543	17,115,135
Restricted cash and cash equivalents	49,081,250	-	-	49,081,250	-
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 49,270,676	\$ 4,491,558	\$ 9,648,563	\$ 63,410,797	\$ 17,240,135

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (5,423,479)	\$ 834,062	\$ (5,241,278)	\$ (9,830,695)	\$ (3,566,742)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,512,580	384,373	472,438	2,369,391	2,936,977
Provision for landfill closure	780,000	-	-	780,000	-
Provision for uncollectible accounts	(291,826)	-	-	(291,826)	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	(10,167,601)	(24,197)	227,227	(9,964,571)	(72,589)
Increase in inventories	-	-	-	-	70,578
Increase (decrease) in accounts payable	4,394,342	47,518	(684,317)	3,757,543	4,170,891
Increase in accrued payroll	112,688	12,933	88,347	213,968	(8,273)
Decrease in deferred revenue	(5,786)	-	-	(5,786)	(7,367)
Increase in accrual for landfill closure	(780,000)	-	-	(780,000)	-
Total adjustments	(4,445,603)	420,627	103,695	(3,921,281)	7,090,217
Net cash provided by (used in) operating activities	\$ (9,869,082)	\$ 1,254,689	\$ (5,137,583)	\$ (13,751,976)	\$ 3,523,475

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2009

ASSETS

Non-pooled cash and cash equivalents	\$ 24,802,739
Pooled cash and cash equivalents	14,681,110
Pooled investments	366,199
	<hr/>
Total assets	\$ 39,850,048
	<hr/>

LIABILITIES

Due to component units	\$ 290,331
Intergovernmental payable	15,661,011
Due to third parties	23,898,706
	<hr/>
Total liabilities	\$ 39,850,048
	<hr/>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2009

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
<u>ASSETS</u>				
Non-pooled cash and cash equivalents	\$ 1,965,199	\$ 22,611,248	\$ 14,604	\$ 8,439,981
Investments	-	-	-	210,267
Receivables (net of allowances for uncollectibles)	66,046	16,104,032	125,014	5,129,229
Due from primary government	-	(215,549)	2,723	247,122
Inventories	44,975	460,940	-	76,592
Prepaid items and deposits	120,876	78,270	-	-
Deferred issuance costs	-	-	-	231,870
Restricted assets:				
Cash and cash equivalents	-	2,196,563	-	1,414,654
Capital assets:				
Land and easements - nondepreciable	-	53,089,105	66,161	544,230
Construction in progress - nondepreciable	-	972,910	-	189,645
Artwork - nondepreciable	11,000	-	-	-
Buildings	-	43,650,464	183,786	1,512,600
Improvements other than buildings	-	19,369,867	-	46,964
Machinery and equipment	2,682,524	5,981,540	370,228	6,691,681
Infrastructure	-	4,801,279	-	35,066,832
Library materials	22,400,697	-	-	-
Accumulated depreciation	(21,462,131)	(28,954,565)	(525,485)	(14,668,677)
Total assets	5,829,186	140,146,104	237,031	45,132,990
<u>LIABILITIES</u>				
Accounts payable	481,434	923,649	-	245,605
Accrued payroll and fringe benefits	65,211	757,484	-	233,930
Intergovernmental payable	-	-	467	-
Interest payable	-	286,730	-	37,127
Unearned revenue	30,161	16,188,972	115,348	4,666,292
Noncurrent liabilities:				
Due within one year	50,484	4,165,208	-	930,253
Due in more than one year	894,979	16,168,921	-	8,279,238
Total liabilities	1,522,269	38,490,964	115,815	14,392,445
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	3,632,090	82,188,667	94,690	21,239,329
Temporarily restricted	-	-	-	-
Restricted for:				
Debt service	-	7,118,116	-	1,627,570
Beach renourishment	-	284,869	-	-
Unrestricted	674,827	12,063,488	26,526	7,873,646
Total net assets	\$ 4,306,917	\$ 101,655,140	\$ 121,216	\$ 30,740,545

See notes to financial statements.

North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Charleston County Volunteer Rescue Squad Dec. 31, 2008	Totals
\$ 545,976	\$ 237,632	\$ 1,189,112	\$ 932,442	\$ 291,460	\$ 36,227,654
-	-	3,161,666	71,788	134,784	3,578,505
770,780	1,131,474	9,860,254	3,970,167	-	37,156,996
16,753	18,333	176,378	44,571	-	290,331
-	-	-	-	-	582,507
-	17,545	135,049	80,163	17,393	449,296
-	3,023	7,289	-	-	242,182
-	-	126,237	-	-	3,737,454
80,122	519,000	256,665	494,933	87,679	55,137,895
-	-	-	-	-	1,162,555
-	-	-	-	-	11,000
511,394	5,358,950	5,572,726	1,830,752	311,761	58,932,433
-	-	-	-	34,747	19,451,578
914,970	1,417,788	6,420,232	3,036,223	1,693,157	29,208,343
-	-	-	-	-	39,868,111
-	-	-	-	-	22,400,697
(1,141,137)	(2,915,343)	(4,544,655)	(2,157,166)	(1,297,535)	(77,666,694)
<u>1,698,858</u>	<u>5,788,402</u>	<u>22,360,953</u>	<u>8,303,873</u>	<u>1,273,446</u>	<u>230,770,843</u>
3,452	33,782	92,571	1,251	581	1,782,325
-	45,027	230,837	98,338	-	1,430,827
35,082	2,906	-	-	-	38,455
-	1,688	108,138	8,088	-	441,771
780,151	1,232,078	9,632,891	4,103,023	56,209	36,805,125
-	230,561	639,179	242,023	-	6,257,708
-	507,950	5,182,210	559,899	-	31,593,197
<u>818,685</u>	<u>2,053,992</u>	<u>15,885,826</u>	<u>5,012,622</u>	<u>56,790</u>	<u>78,349,408</u>
365,349	3,676,147	2,648,995	2,783,385	-	116,628,652
-	-	-	-	5,000	5,000
-	-	127,035	-	-	8,872,721
-	-	-	-	-	284,869
514,824	58,263	3,699,097	507,866	1,211,656	26,630,193
<u>\$ 880,173</u>	<u>\$ 3,734,410</u>	<u>\$ 6,475,127</u>	<u>\$ 3,291,251</u>	<u>\$ 1,216,656</u>	<u>\$ 152,421,435</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets									
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Chas County Volunteer Rescue Squad Dec. 31, 2008
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 15,757,480	\$ 599,925	\$ 14,398,507	\$ 471,153	\$ (287,895)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (287,895)
Charleston County PRC													
Governmental activities:													
General government	10,407,950	-	-	12,344,729	-	1,936,779	-	-	-	-	-	-	1,936,779
Culture and recreation	2,966,867	790,001	-	-	-	(2,176,886)	-	-	-	-	-	-	(2,176,886)
Planning and development	396,462	-	-	312,649	-	(83,813)	-	-	-	-	-	-	(83,813)
Interest and fiscal charges	775,282	-	-	-	-	(775,282)	-	-	-	-	-	-	(775,282)
Total governmental activities	14,546,581	790,001	-	12,657,378	-	(1,099,202)	-	-	-	-	-	-	(1,099,202)
Business-type activities:													
Park operations	11,827,942	10,737,095	-	-	-	(1,090,847)	-	-	-	-	-	-	(1,090,847)
Total Charleston County PRC	26,374,523	11,527,096	-	12,657,378	-	(2,190,049)	-	-	-	-	-	-	(2,190,049)
Cooper River Park & Playground													
Governmental activities:													
General government	14,767	-	-	-	-	-	(14,767)	-	-	-	-	-	(14,767)
Culture and recreation	253,661	-	-	-	-	-	(253,661)	-	-	-	-	-	(253,661)
Total governmental activities	268,428	-	-	-	-	-	(268,428)	-	-	-	-	-	(268,428)
James Island PSD													
Governmental activities:													
General government	865,277	-	-	-	-	-	-	(865,277)	-	-	-	-	(865,277)
Public safety	3,657,378	-	-	220,500	-	(3,436,878)	-	(3,436,878)	-	-	-	-	(3,436,878)
Health and welfare	1,875,060	-	-	-	-	(1,879,060)	-	(1,879,060)	-	-	-	-	(1,879,060)
Total governmental activities	6,401,715	-	-	220,500	-	(6,181,215)	-	(6,181,215)	-	-	-	-	(6,181,215)
Business-type activities:													
Wastewater	4,873,715	4,732,404	-	-	-	-	-	(241,311)	-	-	-	-	(241,311)
Total James Island PSD	11,375,430	4,732,404	-	220,500	-	(6,422,526)	-	(6,422,526)	-	-	-	-	(6,422,526)
North Charleston District													
Governmental activities:													
General government	19,442	-	-	-	-	(19,442)	-	-	(19,442)	-	-	-	(19,442)
Public safety	1,045,156	-	-	-	-	(1,045,156)	-	-	(1,045,156)	-	-	-	(1,045,156)
Public works	369,904	-	-	-	-	(369,904)	-	-	(369,904)	-	-	-	(369,904)
Total governmental activities	1,434,502	-	-	-	-	(1,434,502)	-	-	(1,434,502)	-	-	-	(1,434,502)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets									
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Park & Playground	St. John's Fire District	St. Paul's Fire District	Chas County Volunteer Rescue Squad Dec. 31, 2008	Total
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 1,189,987	\$ 6,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,183,039)	\$ -	\$ -	\$ -	\$ (1,183,039)
Culture and recreation	518,345	-	-	-	-	-	-	-	(115,997)	-	-	-	(115,997)
Interest	20,356	-	-	-	-	-	-	-	(20,356)	-	-	-	(20,356)
Total governmental activities	1,728,688	6,948	-	-	-	-	-	-	(1,319,392)	-	-	-	(1,319,392)
Business-type activities:													
Family recreation	1,301,242	-	-	-	-	-	-	-	(198,559)	-	-	-	(198,559)
Total St. Andrew's Parish Parks & Playground Commission	3,029,930	6,948	-	-	-	-	-	-	(1,517,951)	-	-	-	(1,517,951)
St. John's Fire District													
Governmental activities:													
Public safety	9,296,099	-	-	-	-	-	-	-	-	(9,296,099)	-	-	(9,296,099)
St. Paul's Fire District													
Governmental activities:													
Public safety	4,215,886	-	-	-	-	-	-	-	-	-	(4,215,886)	-	(4,215,886)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	367,597	336,972	-	-	-	-	-	-	-	-	-	(30,625)	(30,625)
Total Component Units	\$ 72,119,875	\$ 19,384,456	\$ 14,742,427	\$ 13,349,031									(25,663,961)
General Revenues:													
Property taxes					15,924,165	175,524	6,346,346	1,078,316	1,327,918	10,004,439	3,980,038	-	38,836,744
Merchants inventory tax and manufacturer's depreciation					153,494	55,574	26,458	212,024	176,765	20,471	21,633	-	686,419
Franchise fees					-	-	-	84,510	-	-	-	-	84,510
Grants not restricted to specific program					-	-	-	-	-	-	135,449	-	135,449
Unrestricted investment earnings				7,156	119,918	-	151,770	5,437	-	48,289	(37,855)	-	300,445
Gain on sale of capital assets				-	-	-	-	-	-	-	71,400	-	104,013
Fundraising and donations				-	2,717	-	-	-	17,468	-	23,073	-	112,957
Miscellaneous				-	172,770	31	715,153	-	-	68,566	4,132	341	960,993
Total general revenues				7,156	16,373,084	231,129	7,238,727	1,380,287	1,522,151	10,144,765	4,241,453	64,798	41,201,530
Change in net assets				(280,739)	14,183,015	(37,298)	817,201	(54,215)	4,200	845,666	25,567	34,173	15,537,569
Net assets - beginning (as restated)				4,587,656	87,472,125	159,515	29,923,344	934,388	3,730,210	5,629,481	3,265,684	1,182,483	136,883,866
Net assets - end of year				\$ 4,306,917	\$ 101,655,140	\$ 121,216	\$ 30,740,545	\$ 880,173	\$ 3,734,410	\$ 6,475,127	\$ 3,291,251	\$ 1,216,656	\$ 152,421,435

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The financial statements of the County of Charleston (County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds, governmental and business-type activities, and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2009.

B. Financial Reporting Entity

The County of Charleston, South Carolina, was established by the State of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government and provides the following services: public safety (sheriff and fire), highways and streets, sanitation, health and social services, cultural and recreational programs, public improvements, planning and zoning, courts, and general administrative services. As required by GAAP, these financial statements present the County (the Primary Government) and its component units, entities for which the County is considered to be financially accountable or for which exclusion of a component unit would render the financial statements misleading.

The Charleston Public Facilities Corporation has been included as a blended component unit because the County appoints the entire board, receives all benefits and burdens of its activities and is fiscally responsible for its operation. The Charleston Development Corporation has been included as a blended component unit because the County has a majority representation on the board and receives all of the benefits and burdens of its activities. The various discretely presented component units were included since they are fiscally dependent upon the County for the levy of property tax revenues, approval of annual operating budgets, authorization of all general obligation debt issues, or as in the case of the Charleston County Volunteer Rescue Squad Inc., receives substantially all of their funding from the County. Blended component units, although legally separate entities, are in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. Each blended and discretely presented component unit, except for Charleston County Volunteer Rescue Squad, Inc., has a June 30 year-end. The Charleston County Volunteer Rescue Squad, Inc. has a December 31 year-end.

The County appoints the board of the Charleston County Housing Authority but has not included the Authority as a component unit because there is no financial accountability or influence by the County over the Authority.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Component units are reported in the County's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

<u>Blended Component Units Reported with the Primary Government</u>	<u>Brief Description of Activities and Relationship to the County</u>	<u>Reporting Funds</u>
<p>Charleston Public Facilities Corporation Administrative Office Address: 4045 Bridge View Drive Room 429 North Charleston, SC 29405 Telephone: (843) 958-4600</p>	<p>Single purpose corporate entity established on July 31, 1990, which is prohibited from engaging in any business other than to construct, own and lease facilities to be used for essential County functions in connection with the issuance of tax-exempt Certificates of Participation to finance such facilities. The Corporation is governed by a Board of Directors who is appointed to staggered terms by County Council. The Corporation exists solely for the benefit of Charleston County.</p>	<p>Debt Service Fund - Certificates of Participation Enterprise Fund - Parking Garages DAODAS</p>
<p>Charleston Development Corporation Administrative Office Address: 4045 Bridge View Drive Suite B226 North Charleston, SC 29405 Telephone: (843) 958-4600</p>	<p>Non-Profit Corporate entity established September 16, 2004, to further human, social, and economic development in the County of Charleston, to promote a healthier and safer community, and apply for funding that the County would otherwise not be eligible to receive. The Corporation is governed by a Board of Directors which shall consist of one member of Charleston County Council, two Charleston County employees and two Charleston County citizens. The Corporation exists solely for the benefit of Charleston County.</p>	<p>Special Revenue Fund - Charleston Development Corporation</p>

<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities and Relationship to the County</u>
<p>Charleston County Library (CCL) Administrative Office Address: 68 Calhoun Street Charleston, SC 29401 Telephone: (843) 805-6801</p>	<p>The Charleston County Library System was created by South Carolina Legislation in 1979 as part of Charleston County Government. Its primary purpose is to provide library services to the citizens of Charleston County and bookmobile services in the rural areas of the County. The Library operates under an 11 member Board of Trustees which is appointed by County Council. County Council approves the budget and all general obligation debt for the Library.</p>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities and Relationship to the County</u>
<p>Charleston County Park and Recreation Commission (CCPRC) Administrative Office Address: 861 Riverland Drive Charleston, SC 29412 Telephone: (843) 762-2172</p>	<p>The Commission was created under the provisions of Act 1595 of the South Carolina Legislature on August 3, 1972. The Commission is empowered to acquire land, establish recreational facilities, and provide recreational activities within Charleston County. The Commission is governed by a seven member board which is appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>Cooper River Park & Playground Commission (CRPPC) Administrative Office Address: PO Box 71846 N. Charleston, SC 29415 Telephone: (843) 747-0776</p>	<p>The Commission was created on April 27, 1942, under Act 640 of the South Carolina Legislature to provide parks and recreation facilities for use by citizens residing within the geographic boundaries of the Commission. The Commission is governed by a six member Board of Trustees appointed by the North Charleston District and the Cooper River School District. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>North Charleston District (NCD) Administrative Office Address: P.O. Box 63009 Charleston, SC 29419 Telephone: (843) 764-3072</p>	<p>The District was created as a public service district in 1972 by Act 1768 of the South Carolina Legislature. The District provides fire, sanitation, street lighting, and cleaning services to the residents within its geographic boundaries. The District is governed by a nine member Commission appointed by the Governor through recommendations of the City of North Charleston and the Legislative Delegation. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.</p>
<p>James Island Public Service District (JIPSD) Administrative Office Address: P.O. Box 12140 Charleston, SC 29422 Telephone: (843) 795-9060</p>	<p>The District was created by Act 498 of the General Assembly of South Carolina in 1961. The District provides sanitation, fire protection, and sewer treatment services to the residents within its geographic boundaries. The District is governed by a seven member Commission elected by the residents of the service area. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.</p>
<p>St. Andrew's Parish Parks & Playground Commission (SAPPPC) Administrative Office Address: P.O. Box 31825 Charleston, SC 29407 Telephone: (843) 763-4360</p>	<p>The Commission was created by the General Assembly of the State of South Carolina in 1945. The Commission has the power to create, develop, maintain, and operate a system of parks and playgrounds for the use and benefit of the residents within its jurisdictional area. The Commission is governed by five members appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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<u>Discretely Presented Component Units</u>	<u>Brief Description of activities and relationship to the County</u>
St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194	The Fire District was created by Act 369 of the South Carolina General Assembly on April 9, 1959. The Fire District provides fire protection services to residents within its geographic boundaries. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.
St. Paul's Fire District (SPFD) Administrative Office Address: P.O. Box 65 Hollywood, SC 29449 Telephone: (843) 889-6450	The Fire District was formed under Act 440 of the South Carolina General Assembly in 1949. The Fire District provides fire protection services to the western portion of the County. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.
Charleston County Volunteer Rescue Squad, Inc. (CCVRS) Administrative Office Address: P.O. 5012 North Charleston, SC 24906 Telephone: (843) 225-7728	The Rescue Squad received its Charter January 30, 1973, from the State of South Carolina. The primary purpose is to provide volunteer rescue services for the citizens of Charleston County. The rescue squad is exempt from federal and state income taxation under Section 501(c) (3) of the U.S. Internal Revenue Code and is not a private foundation. The rescue squad is economically dependent on the County.

The complete financial statements for each component unit may be obtained from their administrative offices at the addresses stated above.

C. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The accounts of the County and its component units are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary, and fiduciary.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues and all taxes are presented as general revenues of the County, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The major fund types are:

Governmental funds are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - This is the primary operating fund of the County. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

General Obligation Bond Capital Projects Fund - This fund accounts for financial resources to be used to complete several construction projects funded by bond issues. These include the Azalea Auto Shop, Detention Center, Judicial Center repairs and the Radio System.

Transportation and Road Sales Tax Special Revenue Fund - This fund accounts for revenues generated by the half cent sales tax for roads, public transportation and greenbelts.

Proprietary funds reporting focus is on the determination of operating income, changes in net assets, financial position, and cash flow. Proprietary funds are classified as either enterprise or internal service. These funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the enterprise funds a fee is charged to external users. The County reports the following major proprietary funds:

Environmental Management - This fund is used to account for the County's solid waste disposal operations, currently consisting of the following:

1. Incineration plant including ash disposal.
2. Landfill to dispose of incineration plant overflow and all county dry goods and construction materials.

This fund is also used to account for the County's recycling operations, which consist of the following:

1. Curbside collection of recyclables in the urban areas of the County.
2. Drop-box collection in all areas of the County.
3. Operation of materials recovery facility.
4. Yard waste mulch facility.

These services are funded from collection of a countywide user fee, sales of steam and electricity from the incineration plant, tipping fees at the landfill, and sale of recyclables.

Parking Garages - This fund is used to account for the operation, financing, and construction of parking facilities. The County has operated a 454 space parking garage adjacent to the County's administrative and court facilities, which also serves area hotels, restaurants, and others since the 1970's. During 1992 the fund received \$12,375,000 of the proceeds from Charleston Public Facilities Corporation (a component unit of the County) Certificates of Participation to construct a 1,608 space-parking garage adjacent to the Charleston Memorial Hospital. During 1996 the fund received \$8,884,000 of the proceeds from the 1995 Certificates of Participation to construct an additional 438 space parking garage adjacent to the existing City of Charleston Cumberland Street garage to service the future Judicial Center. The County assumed the operation of the existing Cumberland Street garage in April 1998 from the City of Charleston. During fiscal year 2004 the parking garage adjacent to the Charleston Memorial Hospital was sold to the Medical University Hospital Authority.

Internal Service Funds - These funds account for the financing of services provided by one department to other departments of the County, or to other governments, on a cost reimbursement basis.

Fleet Management - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operation; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

Office Support Services - This fund is used to account for the centrally administered mail pick-up and delivery service, duplicating machines, postage metering service, and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records, and a centralized microfilming operation.

Telecommunications - This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

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Workers' Compensation - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

Employee Benefits - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls, payments from retirees equaling 50 percent of coverage costs, payments from employees of 30 percent of dependent coverage and from investments. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator and 4) Assistant Administrator of Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

Fiduciary fund reporting focuses on net assets and changes in net assets. This fund accounts for assets held by the entity as an agent on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's only fiduciary funds are agency funds.

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections Director, Clerk of Court (who administers both Clerk of court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting.

Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise on the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end with respect to property taxes and one year after fiscal year-end for all other governmental revenues.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the County must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes collected within 60 days of fiscal year end, sales tax, grants, interest, accommodations fees, intergovernmental revenue, and charges for services.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance fiscal year 2010 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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F. Assets, Liabilities and Equity

1. Cash and Investments

The County maintains and controls several major cash and investment pools which the funds of the primary government share. Each fund's portion of a pool is presented on its respective balance sheets as "pooled cash and cash equivalents." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "non-pooled cash and cash equivalents" and "investments," some of which are restricted assets.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. For purposes of the Proprietary Funds' statement of cash flows, all short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents.

South Carolina State law limits investments to those authorized by South Carolina Code of Laws Section 6-5-10. These state statutes authorize investments in the following:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation.
4. Certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest.
5. No load open and closed-end portfolios of certain investment companies with issues of the US Government.

The County and its component units have certain funds invested with the South Carolina State Treasurer's Office which established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body of a political subdivision of the State may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

2. 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 statements as "internal balances".

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

The County bills and collects property taxes for itself and all other taxing entities within the County. Property taxes are recognized in the period for which they are levied and available for financing current expenditures. Property taxes receivable represents current and delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 - 3 percent, February 1 - an additional 7 percent, March 16 - an additional 5 percent. On March 16, the property tax bills are turned over to the delinquent tax office and the properties are subject to sale. Taxes on licensed motor vehicles are levied during the month when the taxpayer's vehicle license registration is up for renewal. The County must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

The County charges a user fee to real property owners and certain commercial and governmental entities providing revenues for a portion of the County's solid waste collection and disposal effort (e.g., incineration, landfill and recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

The County also charges an annual storm water fee to real property owners in unincorporated areas and certain municipalities. This fee funds the County's storm water management program, which is now required under federal regulations. An allowance for uncollectible accounts is established based upon historical estimates.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

In the governmental fund statements, reported inventories and prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. Restricted Assets

Certain assets of the County's Debt Service and Enterprise Funds and component units derived from proceeds of various General Obligation Bonds, Revenue Bonds and Certificates of Participation are set aside for their repayment or earmarked by the Trustee for specific purposes. These assets are classified as restricted assets on the balance sheet in both the government-wide and fund financial statements, because their use is limited by applicable bond covenants. All restricted assets are considered expendable.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized by governmental or business-type activities.

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. No interest was capitalized for the year ended June 30, 2009.

All reported capital assets except land and certain infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Buildings Improvements	10 - 45
Improvements other than buildings	10 - 45
Public Domain Infrastructure	20 - 50
Vehicles	5
Office Equipment	5 - 10
Computer Equipment	3 - 5
Other Equipment	5 - 12
Landfill Land	10 - 20
Sewer Systems	25 - 50

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. 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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred refunding costs represent the difference between the reacquisition price and the net carrying value of the refunded debt.

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

7. 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 County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is recorded when accrued by the employee in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of the employee resignations and retirements.

8. Fund Equity

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restrictions of fund balance are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

9. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the County's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2009, \$19,997,926 of net assets is restricted by enabling legislation.

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste disposal, recycling, parking garages, E-911 communication system, radio communication system, revenue collections, and the activity of the programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS), vehicle maintenance, telephone service, and insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

12. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund and certain Special Revenue Funds including Accommodations, Child Support Enforcement, Economic Development, Education, Fire Districts, Hazardous Materials Enforcement, Public Defender, Storm Water Drainage, Sheriff, Solicitor, and Victim Notification Funds. The balance of the Special Revenue Funds and Capital Projects Funds are budgeted over the life of the grant or project. Formal budgetary policies are not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through General Obligation Bond indenture provisions and the base lease agreements governing the Certificates of Participation. Certain reclasses have been made to the general fund presentation of the budget.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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All agencies of the County and its component units must submit requests for appropriations to the County Administrator by March 15 along with revenue estimates so that a budget may be prepared. By May 1, the proposed budgets are presented to County Council for review. The Council holds public hearings and adopts the final budgets by July 1 through passage of an ordinance.

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category, i.e. personnel, non-personnel and capital outlay, are further defined in the budget document and are subject to County Administrator approval. The County Administrator is authorized to make transfers between major expenditure categories within departments and between departments within the same fund.

The administrator has further delegated to the Assistant Administrators the authority to transfer between departments. The budget ordinance must be amended by Council to effect changes in fund totals.

Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations were necessary.

The results were increases and decreases within the individual departments within the funds. All annual appropriations lapse at year-end.

Encumbrance accounting is employed in the governmental funds except for the Capital Projects funds which reserve all of their fund balances for Capital Projects. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

B. Restatement of Prior Year Fund Equities

During the fiscal year end June 30, 2009, the County and three of its component units made adjustments that resulted in restatements of beginning fund balances and net assets. In the Solicitor Special Revenue Fund, cash was understated and agency fund cash was overstated by the same amount. The intergovernmental payables in the Revenue Collections Fund were overstated due to improper recording of the County retention fee on collections for municipalities. The related revenue in the Revenue Collections Fund was understated by the same amount.

	<u>Primary Government</u>	
	<u>Governmental Fund</u> <u>Special Revenue Fund</u> <u>Solicitor</u>	<u>Enterprise Fund</u> <u>Revenue Collections</u>
Fund Balance, July 1, 2008	\$ 1,873,338	\$ 189,898
Restatements:		
Cash	309,920	-
Intergovernmental payable	<u>-</u>	<u>269,668</u>
Fund Balance, July 1, 2008 (as restated)	<u>\$ 2,183,258</u>	<u>\$ 459,566</u>

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets, July 1, 2008	\$ 160,724,847	\$ 104,894,593
Restatements as noted above	<u>309,920</u>	<u>269,668</u>
Net Assets, July 1, 2008 (as restated)	<u>\$ 161,034,767</u>	<u>\$ 105,164,261</u>

	<u>Component Units</u>		
	<u>JIPSD</u>	<u>SAPPPC</u>	<u>SPFD</u>
Net assets, July 1, 2008	\$ 26,484,415	\$ 3,768,787	\$ 3,040,836
Restatements:			
Cash	-	-	24,390
Addition of estimated value of infrastructure	3,642,286	-	-
Accumulated depreciation	(203,357)	-	-
Accounts payable	-	(38,577)	34,774
Accrued payroll and fringe payable	-	-	50,013
OPEB liability	<u>-</u>	<u>-</u>	<u>115,671</u>
Net assets, July 1, 2008 (as restated)	<u>\$ 29,923,344</u>	<u>\$ 3,730,210</u>	<u>\$ 3,265,684</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

III. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits, Cash Equivalents and Investments

Custodial Credit Risk - Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County follows Section 6-5-15, South Carolina Code of Law, 1976 (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity.

As of June 30, 2009, \$2,861,486 of the County's bank balance of \$170,644,242 was exposed to custodial credit risk as follows:

Collateralized by securities held by the pledging Bank's Trust department not in the County's name	<u>\$2,861,486</u>
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Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2009, the County had no exposed custodial credit risk on its investments which total \$243,084,291. \$242,718,092 is reported on the Statement of Net Assets and \$366,199 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

The State Treasurer sells participation in the South Carolina Local Government Investment Pool to political subdivisions of the State. Funds deposited into the South Carolina Local Government Investment Pool by legally qualified entities are used to purchase investment securities as follows:

1. U.S. Government Securities (direct obligations)
2. Federal Agency Securities
3. Repurchase Agreements Secured by U.S. Government Securities and/or
Federal Agency Securities
4. A1/P1 Commercial Paper (Moody's/S&P highest rating)

Funds belonging to any entity that are on deposit with the South Carolina Local Government Investment Pool represent participation units in a portfolio comprised of the above referenced securities, and the external investment pool is not rated.

It is policy of the State Treasurer's Office that no derivatives of U.S. Government Securities and/or Federal Agency Securities and/or A1/P1 Commercial Paper are to be purchased by or for the South Carolina Local Government Investment Pool.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Credit Risk

The County had \$184,931,676 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$52,035,000 has been invested in certificates of deposits and therefore by definition are not subject to credit risk. \$163,000 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note and \$5,954,615 has been invested in debt securities of the Federal Home Loan Bank Discount Note. They are rated AAA for long-term unsecured debt and A1+ for short-term notes by Standards & Poor's. The County has no formal policy relating to the credit risk of investments.

Investment Policy

The County's Investments are carried at cost or amortized cost. Non-participating interest-earning investment contracts, such as bank certificates of deposit whose terms are not affected by changes in market rates, are stated at cost. Investment contracts that have a remaining maturity at the time of the purchase of one year or less are stated at amortized cost, provided the fair value of the investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Amortization of investment premiums and discounts is netted against investment income for financial statement purposes. Money market investments are short-term, highly liquid debt instruments including US Treasury obligations. Interest-earning investment contracts are contracts that a government enters into with a financial institution or other financial services company for which it receives interest payments.

As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	90% minimum
Under 18 months	100% minimum

Long-term investment maturity scheduling is timed according to anticipated needs.

The County's investments have a fair value of \$243,084,291 as of June 30, 2009.

Investments Maturity:	Fair Value as of <u>June 30, 2009</u>
Less than one year	
Certificates of Deposits	\$ 52,035,000
SCLGIP	184,931,676
Federal Home Loan Mortgage Discount Note	163,000
Federal Home Loan Bank Discount Note	<u>5,954,615</u>
	<u>\$ 243,084,291</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Concentrations of Credit Risk

The County's investments are diversified such that no one investment is more than 5 percent of total investments and therefore not subject to concentration of credit risks.

Component Units

Cash Deposits, Cash Equivalents and Investments

Interest Rate Risk

The Component Units have no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

The Charleston County Volunteer Rescue Squad, Inc. maintains cash and investments accounts with a local office of a national securities broker. The investments held by the broker are not federally insured. Thus, there is some credit risk associated with these investments. The fair value of these investments at December 31, 2008, is \$134,658. At June 30, 2009, the Charleston County Park and Recreation Commission had bank balances exceeding FDIC limits and uncollateralized of \$5,108.

Credit Risk

None of the component units' deposits or investments were subject to credit risk.

Concentrations of Credit Risk

The component units have no formal policies that limits the amounts that may be invested in any one issuer.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Concentration of Risk

The Library and St Paul's Fire District have no limit on the amount they may invest in any one issuer. The remaining component units have no formal investment policy that would limit its investment choices. None of the component units have more than 5 percent of their investments in any one issuer.

A reconciliation of cash and investments as shown on the Statement of Net Assets for the primary government and the component units and Statement of Fiduciary Net Assets for agency funds follows:

Cash on hand – primary government	\$ 38,881
Cash on hand – component units	56,800
Carrying amount of deposits - primary government	165,549,080
Carrying amount of deposits - component units	39,908,308
Carrying amount of investments - primary government	243,084,291
Carrying amount of investments – component units	3,578,505
Cash with fiscal agent – primary government	<u>125,000</u>
Total carrying amount of cash and investments	<u>\$ 452,340,865</u>
Non-pooled cash and cash equivalents	\$ 65,290,568
Pooled cash and cash equivalents	86,128,780
Restricted cash and cash equivalents	54,133,721
Pooled investments	236,966,676
Non-pooled investments	9,696,120
Cash with fiscal agent	<u>125,000</u>
Total carrying amount of cash and investments	<u>\$ 452,340,865</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

B. Receivables

Receivables as of June 30, 2009, including the applicable allowances for uncollectible accounts, are as follows:

Primary government:	Governmental Funds			
	<u>General</u>	<u>Debt Service</u>	<u>Transportation Special Revenue Fund</u>	<u>Non-major Governmental Funds</u>
Receivables:				
Current property taxes	\$ 111,533,678	\$ 18,311,499	\$ -	\$ 7,176,381
Delinquent property taxes	3,997,075	961,590	-	433,183
Accounts	5,578,169	-	-	993,074
Intergovernmental	15,087,731	-	15,552,589	6,658,895
Notes	-	-	-	186,721
Interest	-	-	-	42
Gross receivables	<u>136,196,653</u>	<u>19,273,089</u>	<u>15,552,589</u>	<u>15,448,296</u>
Less allowance for uncollectibles:				
Current property taxes	6,680,867	1,034,600	-	478,351
Delinquent property taxes	1,503,299	356,933	-	158,854
Accounts	2,914,713	-	-	169,616
Notes	-	-	-	186,721
Gross allowance	<u>11,098,879</u>	<u>1,391,533</u>	<u>-</u>	<u>993,542</u>
Net total receivable	<u>\$ 125,097,774</u>	<u>\$ 17,881,556</u>	<u>\$ 15,552,589</u>	<u>\$ 14,454,754</u>

	Proprietary		Totals
	<u>Business-type Activities</u>	<u>Governmental Activities- Internal Service Funds</u>	<u>Primary Government</u>
Receivables:			
Current property taxes	\$ -	\$ -	\$ 137,021,558
Delinquent property taxes	-	-	5,391,848
Accounts	22,068,670	33,316	28,673,229
Intergovernmental	760,600	19,972	38,079,787
Notes	-	-	186,721
Interest	10,355	-	10,397
Gross receivables	<u>22,839,625</u>	<u>53,288</u>	<u>209,363,540</u>
Less allowance for uncollectibles:			
Current property taxes	-	-	8,193,818
Delinquent property taxes	-	-	2,019,086
Accounts	4,754,596	-	7,838,925
Notes	-	-	186,721
Gross allowance	<u>4,754,596</u>	<u>-</u>	<u>18,238,550</u>
Net total receivable	<u>\$ 18,085,029</u>	<u>\$ 53,288</u>	<u>\$ 191,124,990</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Component Units:	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>JIPSD</u>	<u>NCD</u>
Receivables:					
Current property taxes	\$ -	\$ 15,575,407	\$ 126,673	\$ 4,964,293	\$ 779,528
Delinquent property taxes	-	784,090	15,167	287,354	96,933
Accounts	66,046	413,293	-	221,582	-
Intergovernmental	-	398,584	-	-	380
Gross receivables	<u>66,046</u>	<u>17,171,374</u>	<u>141,840</u>	<u>5,473,229</u>	<u>876,841</u>
Less allowance for uncollectible:					
Current property taxes	-	878,453	11,325	298,354	69,690
Delinquent property taxes	-	188,889	5,501	16,646	36,371
Accounts	-	-	-	29,000	-
Gross allowance	-	<u>1,067,342</u>	<u>16,826</u>	<u>344,000</u>	<u>106,061</u>
Net total receivable	<u>\$ 66,046</u>	<u>\$ 16,104,032</u>	<u>\$ 125,014</u>	<u>\$ 5,129,229</u>	<u>\$ 770,780</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,157,617	\$ 10,039,490	\$ 4,103,023	\$ 36,746,031
Delinquent property taxes	76,392	284,145	362,251	1,906,332
Accounts	-	12,602	-	713,523
Intergovernmental	-	-	-	398,964
Gross receivables	<u>1,234,009</u>	<u>10,336,237</u>	<u>4,465,274</u>	<u>39,764,850</u>
Less allowance for uncollectible:				
Current property taxes	78,139	406,599	381,582	2,124,142
Delinquent property taxes	24,396	69,384	113,525	454,712
Accounts	-	-	-	29,000
Gross allowance	<u>102,535</u>	<u>475,983</u>	<u>495,107</u>	<u>2,607,854</u>
Net total receivable	<u>\$ 1,131,474</u>	<u>\$ 9,860,254</u>	<u>\$ 3,970,167</u>	<u>\$ 37,156,996</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Notes result from the sale of certain assets by the County. The County's Fleet Management Internal Service Fund has financed \$791,600 of its share of the new heavy equipment repair facility through a loan from the Environmental Management Enterprise Fund. The loan is payable in semi-annual installments of \$40,000 with interest at 6.08 percent per annum. The note matures on January 1, 2014. This note is presented as note receivable-internal balances on the statement of Net Assets for the Business-type activities.

In fiscal year 2004, County Council approved a \$400,000 non-interest bearing loan from the County's accommodations fee special revenue fund to the Convention and Visitor's Bureau to be repaid at \$40,000 per year for the next ten years. The loan was expended on the County's books when made with a corresponding entry to allowance for doubtful accounts.

The following reflects the future minimum payments receivable at June 30, 2009, under these notes receivable:

<u>Year Ending June 30</u>		<u>Business-type</u>
		<u>Activities</u>
2010	\$	80,001
2011		80,001
2012		80,001
2013		80,001
2014		80,001
Total minimum note payments		<u>400,005</u>
Less amount representing interest		<u>(59,506)</u>
Present value of minimum note payments		340,499
Less current portion		<u>(60,193)</u>
Long-term portion		<u>\$ 280,306</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2009, was as follows:

Governmental Activities:	<u>Balance July 1, 2008</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 16,334,159	\$ -	\$ -	\$ 16,334,159
Construction in progress	17,833,027	50,544,774	-	68,377,801
Infrastructure-easements, land	<u>8,446,892</u>	<u>55,919</u>	<u>(71,737)</u>	<u>8,431,074</u>
Total capital assets not being depreciated	<u>42,614,078</u>	<u>50,600,693</u>	<u>(71,737)</u>	<u>93,143,034</u>
Capital assets being depreciated:				
Buildings	198,489,046	1,042,452	(2,832)	199,528,666
Improvements other than buildings	3,204,089	-	(1,037,452)	2,166,637
Machinery and equipment	83,421,617	4,825,971	(6,724,062)	81,523,526
Infrastructure	<u>36,361,963</u>	<u>346,986</u>	<u>(517,712)</u>	<u>36,191,237</u>
Total capital assets being depreciated	<u>321,476,715</u>	<u>6,215,409</u>	<u>(8,282,058)</u>	<u>319,410,066</u>
Less accumulated depreciation:				
Buildings	(50,644,800)	(4,815,137)	-	(55,459,937)
Improvements other than buildings	(1,521,997)	(49,128)	233,428	(1,337,697)
Machinery and equipment	(50,379,592)	(7,161,018)	6,101,012	(51,439,598)
Infrastructure	<u>(26,010,839)</u>	<u>(2,482,321)</u>	<u>392,055</u>	<u>(28,101,105)</u>
Total accumulated depreciation	<u>(128,557,228)</u>	<u>(14,507,604)</u>	<u>6,726,495</u>	<u>(136,338,337)</u>
Total capital assets being depreciated, net	<u>192,919,487</u>	<u>(8,292,195)</u>	<u>(1,555,563)</u>	<u>183,071,729</u>
Governmental activities,				
Total capital assets, net	<u>\$ 235,533,565</u>	<u>\$ 42,308,498</u>	<u>\$ (1,627,300)</u>	<u>\$ 276,214,763</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2009

	Balance as July 1, 2008	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2009
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 3,950,930	\$ -	\$ -	\$ 3,950,930
Construction in progress	15,958,218	125,731	-	16,083,949
Total capital assets not being depreciated	19,909,148	125,731	-	20,034,879
Capital assets being depreciated:				
Buildings	24,933,128	-	-	24,933,128
Improvements other than buildings	850,907	-	(34,406)	816,500
Machinery and equipment	15,712,529	873,796	(478,686)	16,107,640
Total capital assets being depreciated	41,496,564	873,796	(513,092)	41,857,268
Less accumulated depreciation:				
Buildings	(6,930,853)	(562,073)	-	(7,492,926)
Improvements other than buildings	(488,858)	(51,506)	29,016	(511,348)
Machinery and equipment	(8,594,617)	(1,705,488)	445,031	(9,855,074)
Total accumulated depreciation	(16,014,328)	(2,319,067)	474,047	(17,859,348)
Total capital assets being depreciated, net				
Business-type activities	25,482,236	(1,445,271)	(39,045)	23,997,920
Total capital assets, net	\$ 45,391,384	\$ (1,319,540)	\$ (39,045)	\$ 44,032,799

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General government	\$ 7,572,471
Public safety	1,922,512
Judicial	1,414,382
Public works	2,607,596
Health and welfare	376,131
Culture and recreation	614,512
Total	<u>\$ 14,507,604</u>

Business-type Activities:

Solid Waste	\$ 1,477,329
Parking Garages	376,988
DAODAS	259,014
E-911 Communications	183,226
Radio Communications	22,510
Total	<u>\$ 2,319,067</u>

Component Units:

	Balance July 1, 2008 (as restated)	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 42,681,541	\$ 12,456,354	\$ -	\$ 55,137,895
Artwork	11,000	-	-	11,000
Construction in progress	802,975	1,147,441	(787,861))	1,162,555
Total capital assets not being depreciated	<u>43,495,516</u>	<u>13,603,795</u>	<u>(787,861))</u>	<u>56,311,450</u>
Capital assets being depreciated:				
Buildings	57,035,911	2,105,522	(209,000)	58,932,433
Improvements other than buildings	19,397,796	53,782	-	19,451,578
Machinery and equipment	28,427,616	2,297,855	(1,517,128)	29,208,343
Infrastructure	38,569,332	1,366,544	(67,765)	39,868,111
Library materials	22,381,829	1,661,602	(1,642,734)	22,400,697
Total capital assets being depreciated	<u>165,812,484</u>	<u>7,485,305</u>	<u>(3,436,627)</u>	<u>169,861,162</u>
Less accumulated depreciation	<u>(73,625,853)</u>	<u>(7,418,648)</u>	<u>3,377,807</u>	<u>(77,666,694)</u>
Total capital assets being depreciated, net	<u>92,186,631</u>	<u>66,657</u>	<u>(58,820)</u>	<u>92,194,468</u>
Component units				
Total capital assets, net	<u>\$ 135,682,147</u>	<u>\$ 13,670,452</u>	<u>\$ (846,681)</u>	<u>\$ 148,505,918</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions of the component units as follows:

General government	\$ 2,231,820
Public safety	1,230,010
Culture and recreation	2,113,249
Health and welfare	96,564
Family recreation center	169,059
Park operations	862,122
Waste water	<u>715,824</u>
 Total	 <u>\$ 7,418,648</u>

Construction in progress in the Governmental Activities as of June 30, 2009, is composed of the following:

	Project <u>Authorization</u>	Expended to <u>June 30, 2009</u>	Commitments <u>Outstanding</u>	Required Future <u>Financing</u>
Primary government:				
Radio System Phase II	\$ 2,400,000	\$ 2,235,101	\$ 98,286	General obligation bonds
Consolidated Dispatch Center	27,300,000	107,262	89,996	General obligation bonds
Jail Modular Temporary Housing	4,500,000	4,403,888	-	None
Permitting & Inspection Software	585,500	475,060	75,882	None
Property Tax Software	2,000,000	951,105	796,734	None
Law Enforcement Software	1,500,000	910,171	517,192	None
Fleet Auto Shop	4,910,000	4,399,947	41,700	General obligation bonds
Adult Detention Facility	99,200,000	53,752,370	49,947,630	General obligation bonds
K9 facilities/impound lot	1,170,000	1,050,025	-	General obligation bonds
Courthouse Courtyard	400,000	18,388	2,461	None
Cartograph Work order System	<u>108,000</u>	<u>74,484</u>	<u>33,516</u>	None
Total primary government	<u>\$ 144,073,500</u>	<u>\$ 68,377,801</u>	<u>\$ 51,603,397</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2009, the County has assets under capital lease with a total cost of \$5,937,100 and a net book value of \$2,056,566. The assets are computer equipment depreciated over a three to five year period, copier equipment depreciated over a five year period and two firefighting vehicles depreciated over an eight year period included in the County's machinery and equipment capital asset category. Also included is a capital lease for the Lee Building which is being depreciated over a 45 year period. This asset is included in the buildings capital asset category.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Construction in progress as of June 30, 2009, in the Business-type activities is composed of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2009</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Primary government:				
Parking Garages Renovations	\$ 585,000	\$ 125,731	\$ 110,853	None
Environmental Management Lined Landfill	<u>16,117,966</u>	<u>15,958,218</u>	<u>159,748</u>	None
Total primary government	<u>\$ 16,702,966</u>	<u>\$ 16,083,949</u>	<u>\$ 270,601</u>	
Component Unit:				
CCPRC				
Wannamaker Phase III	\$ 150,000	\$ 98,125	\$ 12,660	None
James Island Lighting	1,200	1,200	-	None
Dog Parks	25,000	11,661	-	None
Financial Software	300,000	22,100	-	None
James Island playground renovations	581,245	575,301	5,944	None
Palmetto Island playground renovations	27,000	16,071	2,682	None
Palmetto Island canoe launch	59,600	51,617	7,983	None
James Island wood decking	25,000	3,843	-	None
Palmetto Island paving	144,240	143,536	210	None
CRM breakwater repair	<u>50,000</u>	<u>49,456</u>	<u>-</u>	None
Total CCPRC	<u>1,363,285</u>	<u>972,910</u>	<u>29,479</u>	
JIPSD				
Waste water upgrade	<u>3,575,019</u>	<u>189,645</u>	<u>-</u>	Impact fees
Total JIPSD	<u>3,575,019</u>	<u>189,645</u>	<u>-</u>	
Total Component Units	<u>\$ 4,938,304</u>	<u>\$ 1,162,555</u>	<u>\$ 29,479</u>	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2009, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 14,376,941	\$ 584,882
Non-major governmental funds	-	1,737,539
Major enterprise funds: Environmental Management	-	12,639,402
Internal service funds	<u>584,882</u>	<u>-</u>
Total	<u>\$ 14,961,823</u>	<u>\$ 14,961,823</u>

Inter-fund activity relates to funding from the County's General Fund related to County policies for cash flow and operating cash levels of governmental funds, and are expected to be collected within one year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

E. Interfund Transfers

A summary of transfers is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major governmental funds:		
General Fund	\$ 4,866,529	\$ (8,977,887)
Debt Service Fund	5,412,005	(972,320)
Transportation and road sales tax	9,408,158	(12,408,158)
Non-major governmental funds	11,040,622	(13,802,661)
Major business-type activities:		
Environmental Management	1,617	-
Parking Garage	-	(121,292)
Non-major business-type activities	4,548,858	(91,632)
Internal Service Funds	2,732,190	(1,636,029)
Total	<u>\$ 38,009,979</u>	<u>\$ (38,009,979)</u>

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Leases

Operating Leases

In March 2008 the Charleston County Library entered into a new lease agreement for copiers. The lease agreement is for a sixty-month period commencing January 2008, with a minimum monthly charge of \$12,450, for a total minimum commitment of \$747,000 over the term of the lease. In addition to this lease the Library holds other verbal agreements with various parties for the rental of Library branches. These leases run on a month-to-month basis and are cancelable by either party. Rental expense associated with the copier and facilities leases for the year ended June 30, 2009, is \$189,365.

Future minimum lease payments under these non-cancelable operating leases are as follows:

Year Ending June 30	CCL
2010	\$ 149,400
2011	149,400
2012	149,400
2013	74,700
	<u>\$ 522,900</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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G. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,463,000 reported as the accrual for landfill closure and post-closure at June 30, 2009, represents the estimated remaining cost reported of \$21,573,000 less \$18,110,000 deferred to date based on the following information:

Landfill Site	Percentage Of Capacity Used	Estimated Costs Recognized			Balance To Be Recognized
		Closure	Postclosure	Total	
Romney Street	100%	\$ 5,244,478	\$ 593,200	\$ 5,837,678	\$ -
Bees Ferry:					-
Ash storage facility	100%	929,018	321,500	1,250,518	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	6,190,000	3,537,000	9,727,000	-
Bees Ferry lined landfill	11%	1,498,508	531,492	2,030,000	16,940,000
Bees Ferry C&D landfill	33.33%	405,000	175,000	580,000	1,170,000
Totals		<u>\$20,305,813</u>	<u>\$ 5,158,192</u>	<u>\$ 25,464,005</u>	<u>\$ 18,110,000</u>

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2009. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources will be the primary source of funds to pay the cost of closure.

The County has issued under separate cover, a certification signed by its Assistant Administrator for Finance stating compliance with final Environmental Protection Agency regulations regarding financial assurance for operators of Municipal Solid Waste Landfill Facilities, including a required statement from our independent auditors. The computations required under these regulations are included in page 203 in the statistical section of this report.

H. Short-term Debt

The County had no short-term borrowings during the fiscal year. Some of the County's component units use short-term tax anticipation notes to finance general operating expenditures during the fiscal year ended June 30, 2009. James Island PSD borrowed \$650,000 at 1.4 percent interest per annum from its enterprise fund. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
JIPSD	\$ -	\$ 650,000	\$ 650,000	\$ -
SAPPPC	-	300,000	300,000	-
	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ -</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2009.

Primary Government:	<u>Balance</u> <u>July 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental activities					
General obligation bonds	\$373,504,430	\$ -	\$ 10,059,863	\$ 363,444,567	\$ 12,808,009
Certificates of participation	52,628,009	-	5,314,512	47,313,497	5,556,775
Intergovernmental note payable	35,176,858	-	984,366	34,192,492	1,040,770
Capital lease payable	2,947,139	1,905,305	1,063,989	3,788,455	843,723
Compensated absences	8,724,760	1,333,757	264,177	9,794,340	264,177
Total	<u>\$472,981,196</u>	<u>\$ 3,239,062</u>	<u>\$ 17,686,907</u>	<u>\$ 458,533,351</u>	<u>\$ 20,513,454</u>
Business-type activities					
Certificates of participation	\$ 9,356,755	\$ -	\$ 938,641	\$ 8,418,114	\$ 998,247
Revenue bonds	9,194,837	-	1,370,510	7,824,327	1,450,187
Accrual for landfill closure	2,683,000	780,000	-	3,463,000	780,000
Compensated absences	1,159,410	220,156	82,247	1,297,319	52,841
Total	<u>\$ 22,394,002</u>	<u>\$ 1,000,156</u>	<u>\$ 2,391,398</u>	<u>\$ 21,002,760</u>	<u>\$ 3,281,275</u>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated from the applicable governmental fund's budgeted operations monies.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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General Obligation Bonds. The County and its component units issue General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the County.

Primary government General Obligation Bonds payable at June 30, 2009, are comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
September 30, 1999	General Obligation Improvement and Refunding Bonds, Series 1999, 5.00 percent to 6.125 percent interest, semi-annual principal and interest payments beginning in 2000, matures 2019, the first principal payment was paid in fiscal year 2003. These bonds were partially refunded in April 2004.	\$ 49,360,000	\$ 18,480,000
May 1, 2001	General Obligation Refunding and Capital Improvement Bonds, Series 2001, 4.10 percent to 5.25 percent interest, semi-annual principal and interest payments beginning in 2001, matures 2021, the first principal payment was due in fiscal year 2004. These bonds were partially refunded in April 2004.	30,000,000	4,255,000
April 2, 2004	General Obligation Refunding Bonds, Series 2004, 2.00 percent to 4.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2021, the first principal payment was due in fiscal year 2005.	63,740,000	44,435,000
May 2, 2006	General Obligation Transportation Sales Tax Bonds, Series 2006 (referendum) 4.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2006, matures 2027; the first annual principal payment was due in fiscal year 2008.	65,000,000	61,095,000
December 5, 2007	General Obligation Bonds, Series 2007, 4.30 percent to 5.0 percent interest, semi-annual interest payments beginning in May 2008, matures 2028; the first annual principal payment is due in fiscal year 2010.	75,000,000	75,000,000
December 5, 2007	General Obligation Transportation Sales Tax Bonds, Series 2007 (referendum), 4.00 percent to 5.25 percent interest, semi-annual interest payments beginning in May 2008, matures 2027; the first annual principal payment is due in fiscal year 2010.	150,000,000	150,000,000
Subtotal		<u>\$ 433,100,000</u>	353,265,000
Less: Deferred refunding cost			(2,268,189)
Add: Premium			12,447,756
General obligation debt per statement of net assets			363,444,567
Less current portion, including deferred refunding cost and premium			(12,808,009)
Long-term portion outstanding			<u>\$ 350,636,558</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Certificates of Participation. The County issues Certificates of Participation through the Charleston Public Facilities Corporation, a blended component unit, to finance the acquisition of essential government facilities. The Certificates have been issued for both governmental and proprietary fund activities and are reported in the proprietary fund if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities.

Primary government Certificates of Participation payable at June 30, 2009, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
November 1, 1995	Certificates of Participation, Series 1995, Charleston Public Facilities Corporation, 3.80 percent to 6.00 percent interest, semi-annual principal and interest payments beginning in 1996, matures 2021. These bonds were partially refunded in May 2004.	\$ 85,000,000	\$ 5,495,000
May 1, 2004	Certificates of Participation, Series 2004, Charleston Public Facilities Corporation, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2016.	44,160,000	30,660,000
March 3, 2005	Certificates of Participation, Series 2005, Charleston Public Facilities Corporation, 5.00 percent to 5.125 percent interest, semi-annual interest payments beginning in 2005, annual principal payments beginning in 2011, matures 2019.	<u>19,945,000</u>	<u>19,945,000</u>
Subtotal		<u>\$ 149,105,000</u>	56,100,000
Less: Discount applicable to business-type activities			(3,333)
Deferred refunding cost			(2,257,913)
Add: Premium			<u>1,892,857</u>
Certificate of participation debt per statement of net assets			<u>55,731,611</u>
Less current portion, including deferred refunding cost, premium and discount			<u>(6,555,022)</u>
Long-term portion outstanding			<u>\$ 49,176,589</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2009

Revenue Bonds. The County issued \$22,570,000 Solid Waste User Fee Revenue Bonds on October 12, 1994. Proceeds of this issue were to be used to reimburse the County for the acquisition of equipment previously financed through a \$9.5 million bond anticipation note; finance construction costs related to closure of the Romney Street and Bees Ferry landfills; fund the design and approval process for permitting a new landfill site; and partially fund a heavy equipment repair facility. These bonds are expected to be repaid from the countywide user fee assessment. The revenue bonds were refunded in fiscal year 2004.

Primary government Revenue Bonds payable at June 30, 2009, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
May 4, 2004	Charleston County Solid Waste User Fee Revenue Refunding Bonds, Series 2004, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2005, matures in 2014.	\$ 14,525,000	\$ 8,040,000
		<u>\$ 14,525,000</u>	8,040,000
	Less: Deferred refunding cost applicable to business-type activities		(418,876)
	Add: Premium applicable to business-type activities		<u>203,203</u>
	Revenue bond debt per statement of net assets		7,824,327
	Less current portion, including deferred refunding cost and premium		<u>(1,450,187)</u>
	Long-term portion outstanding		<u>\$ 6,374,140</u>

Notes Payable. The County's Fleet Management Internal Service Fund has issued a note payable to the Environmental Management Enterprise Fund for \$791,600 payable from Debt Service Fund transfers to the Fleet Management Internal Service Fund.

Primary government note payable at June 30, 2009, is comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
April 1, 1999	Solid Waste Revenue Bond Fund Promissory Note, semi-annual payments of \$40,000 including interest at 6.08 percent, matures in 2014.	\$ 791,600	\$ 340,499
	Less current portion	<u>\$ 791,600</u>	<u>(60,193)</u>
	Debt per statement of net assets		<u>\$ 280,306</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2009

Annual requirements to amortize primary government notes payable outstanding at June 30, 2009, are as follows:

Year Ending June 30	Internal Service Fund	Principal	Interest
2010	\$ 80,001	\$ 60,193	\$ 19,808
2011	80,001	63,910	16,091
2012	80,001	67,856	12,145
2013	80,001	72,046	7,955
2014	80,001	76,494	3,507
Total	<u>\$ 400,005</u>	<u>\$ 340,499</u>	<u>\$ 59,506</u>

Intergovernmental Note Payable. In July 2001 the County entered into an intergovernmental loan agreement with the South Carolina Transportation Infrastructure Bank to fund a portion of the cost of the new Arthur Ravenel, Jr. Bridge over the Cooper River. The County has agreed to pay \$3,000,000 per year for the next twenty-five years beginning January 2004. The County has recorded the obligation on its records at a net present value using the discount rate of 5.73 percent.

Annual requirements to amortize the intergovernmental note payable outstanding at June 30, 2009, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2010	\$ 3,000,000	\$ 1,040,770	\$ 1,959,230
2011	3,000,000	1,100,406	1,899,594
2012	3,000,000	1,163,460	1,836,540
2013	3,000,000	1,230,126	1,769,874
2014	3,000,000	1,300,612	1,699,388
2015-2019	15,000,000	7,710,097	7,289,901
2020-2024	15,000,000	10,187,110	4,812,888
2025-2028	12,000,000	10,459,911	1,540,093
Total	<u>\$ 57,000,000</u>	<u>\$ 34,192,492</u>	<u>\$ 22,807,508</u>

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NOTES TO FINANCIAL STATEMENTS
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Capital Lease Obligations. Several component units have utilized capital leases to finance the acquisition of various types of equipment. The details of each entity's capital leasing activities are summarized later in this note.

The County uses capital lease funding to finance the purchase of various equipment and a building. Capital leases outstanding at June 30, 2009, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
Lease dated November 2004 payable to Chicora Center, Inc. for the purchase of the building at 3366 Rivers Ave. Payable in 120 monthly payments of \$25,725 through October 2014 and includes principal and interest at 5.0 percent per annum.	\$ 2,425,425	\$ 1,442,560
Leases dated August 2006 to February 2007 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in six equal installments of \$98,639 through November 2009, includes principal and interest at 2.26 percent to 3.042 percent per annum.	567,698	96,538
Lease dated June 2007 payable to Bank of America for the purchase of new fire trucks. Payable in seven annual installments of \$144,656 through June 2014, includes principal and interest at 4.19 percent per annum.	862,105	640,524
Lease dated April 2008 payable to Ontario Investments, Inc. for the purchase of EMS computer equipment. Payable in eight equal installments of \$13,990 through December 2011, includes principal and interest at 6.059 percent per annum.	100,539	64,017
Lease dated February 2009 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$116,101 through October 2012, includes principal and interest at 10.6 percent per annum.	775,100	663,756
<u>Internal Service Fund</u>		
Lease dated September 2008-February 2009 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$262,765 through March 2013 and includes principal and interest at 7.285 to 10.994 percent per annum.	1,130,205	881,060
	<u>\$ 5,861,072</u>	<u>3,788,455</u>
Less current portion		<u>(843,723)</u>
Long-term portion outstanding		<u>\$ 2,944,732</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 843,723	\$ 230,548	\$ 1,074,271
2011	798,831	177,478	976,309
2012	840,508	126,566	967,074
2013	769,170	63,056	832,226
2014	434,383	18,977	453,360
2015	101,840	1,064	102,904
Total	\$ 3,788,455	\$ 617,689	\$ 4,406,144



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2009, excluding notes payable and accrued compensated absences, are as follows:

Year Ending June 30	General Obligation Bonds		Certificates Of Participation		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 12,090,000	\$ 16,146,318	\$ 6,635,000	\$ 2,749,806	\$ 1,480,000	\$ 402,000	\$ 39,503,124
2011	10,220,000	15,677,419	7,740,000	2,377,856	1,555,000	328,000	37,898,275
2012	11,300,000	15,174,732	4,340,000	2,036,781	1,630,000	250,250	34,731,763
2013	12,480,000	14,586,954	4,270,000	1,833,119	1,710,000	168,750	35,048,823
2014	13,755,000	13,921,597	4,490,000	1,633,050	1,665,000	83,250	35,547,897
2015	15,120,000	13,193,680	4,690,000	1,414,393	-	-	34,418,073
2016	16,490,000	12,432,103	4,920,000	1,178,768	-	-	35,020,871
2017	18,010,000	11,633,184	5,190,000	927,787	-	-	35,760,971
2018	19,650,000	10,748,984	5,450,000	663,513	-	-	36,512,497
2019	21,445,000	9,775,658	4,135,000	385,945	-	-	35,741,603
2020	23,365,000	8,766,508	2,820,000	177,000	-	-	35,128,508
2021	19,725,000	7,784,595	1,420,000	35,500	-	-	28,965,095
2022	21,015,000	6,779,657	-	-	-	-	27,794,657
2023	21,030,000	5,787,339	-	-	-	-	26,817,339
2024	22,955,000	4,799,177	-	-	-	-	27,754,177
2025	25,015,000	3,722,890	-	-	-	-	28,737,890
2026	27,210,000	2,541,237	-	-	-	-	29,751,237
2027	29,550,000	1,258,730	-	-	-	-	30,808,730
2028	12,840,000	296,925	-	-	-	-	13,136,925
Totals	353,265,000	175,027,687	56,100,000	15,413,518	8,040,000	1,232,250	609,078,455
Less amount in Business-type activities before discounts and deferred costs	-	-	(8,764,354)	(2,374,791)	(8,040,000)	(1,232,250)	(20,411,395)
Subtotal	353,265,000	175,027,687	47,335,646	13,038,727	-	-	588,667,060
Less discounts and deferred refunding costs	(2,268,189)	-	(1,659,338)	-	-	-	(3,927,527)
Add Premiums	12,447,756	-	1,637,189	-	-	-	14,084,945
Total debt- governmental activity	\$363,444,567	\$ 175,027,687	\$ 47,313,497	\$ 13,038,727	\$ -	\$ -	\$ 598,824,478

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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The annual debt service related to that portion of long-term debt recorded in the primary government's Business-type activities is as follows:

Year Ending June 30	Certificates Of Participation		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
2010	\$ 1,074,263	\$ 431,994	\$ 1,480,000	\$ 402,000	\$ 3,388,257
2011	1,229,122	370,675	1,555,000	328,000	3,482,797
2012	682,257	317,467	1,630,000	250,250	2,879,974
2013	679,651	285,055	1,710,000	168,750	2,843,456
2014	715,301	252,786	1,665,000	83,250	2,716,337
2015	748,083	217,766	-	-	965,849
2016	784,692	180,218	-	-	964,910
2017	827,667	140,152	-	-	967,819
2018	869,367	97,953	-	-	967,320
2019	613,117	53,620	-	-	666,737
2020	359,706	22,577	-	-	382,283
2021	<u>181,128</u>	<u>4,528</u>	<u>-</u>	<u>-</u>	<u>185,656</u>
Subtotal	8,764,354	2,374,791	8,040,000	1,232,250	20,411,395
Less discounts and deferred refunding costs	(598,575)	-	(418,876)	-	(1,017,451)
Add Premiums	<u>252,335</u>	<u>-</u>	<u>203,203</u>	<u>-</u>	<u>455,538</u>
Total business-type activities debt	<u>\$ 8,418,114</u>	<u>\$ 2,374,791</u>	<u>\$ 7,824,327</u>	<u>\$ 1,232,250</u>	<u>\$ 19,849,482</u>

The 1995, 2004, and 2005 Certificates and related trust agreements require the establishment of 1) a debt service reserve fund or surety bond, to maintain amounts equal to the next semi-annual principal and interest payment, and 2) a payment fund for use in disbursing the semi-annual payments.

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as types of investments, promise to levy tax sufficient to cover debt service and establishment of a sinking fund. The County is in compliance with all significant limitations and restrictions as of June 30, 2009.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Conduit (No Commitment) Debt. The County is authorized and empowered under and pursuant to the Code of Laws of South Carolina to acquire or cause to be acquired and in connection therewith to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties to promote the public health and welfare of the people of the State of South Carolina and/or to promote the commercial development of the State. To accomplish these objectives the County has issued Revenue Bonds to provide financial assistance to private sector entities. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The County has issued these conduit debt obligations for Hospital and Health Care, Industrial, Solid Waste, and Pollution Control facilities.

The following is a summary of the County's conduit debt at June 30, 2009:

<u>Number of Issues</u>	<u>Current Amount Outstanding (in millions)</u>	<u>Original Issue Amount (in millions)</u>
6	\$277	\$380

The following is a summary of the changes in long-term obligations of the component units for the year ended June 30, 2009:

Component Units:	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due in One year</u>
Accrued compensated absences	\$ 2,831,438	\$ 719,599	\$ (487,966)	\$ 3,063,071	\$ 1,166,274
Net other post employment benefits	1,093,481	903,682	(297,107)	1,700,056	-
General obligation bonds	20,508,223	-	(2,819,248)	17,688,975	2,379,869
Capital lease obligations	10,274,924	632,350	(2,231,781)	8,675,493	2,025,486
Revenue bonds	7,167,251	100,000	(620,414)	6,646,837	661,168
Notes payable	<u>87,404</u>	<u>60,000</u>	<u>(70,931)</u>	<u>76,473</u>	<u>24,911</u>
Total	<u>\$ 41,962,721</u>	<u>\$ 2,415,631</u>	<u>\$ (6,527,447)</u>	<u>\$ 37,850,905</u>	<u>\$ 6,257,708</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

	<u>Range of Maturity Dates</u>	<u>Range of Interest Rates</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Accrued compensated absences:						
CCL			\$ 907,690	\$ 481,416	\$ (443,643)	\$ 945,463
CCPRC			798,957	160,143	(16,469)	942,631
JIPSD			323,057	42,340	-	365,397
SAPPPC			27,502	4,372	-	31,874
SJFD			667,033	-	(27,854)	639,179
SPFD			<u>107,199</u>	<u>31,328</u>	<u>-</u>	<u>138,527</u>
Total accrued compensated absences			<u>2,831,438</u>	<u>719,599</u>	<u>(487,966)</u>	<u>3,063,071</u>
Net other post employment benefits:						
CCPRC			378,935	550,980	(172,045)	757,870
JIPSD			347,446	352,702	-	700,148
SPFD			<u>367,100</u>	<u>-</u>	<u>(125,062)</u>	<u>242,038</u>
Total net other post employment benefits			<u>1,093,481</u>	<u>903,682</u>	<u>(297,107)</u>	<u>1,700,056</u>
General obligation bonds:						
CCPRC	2010 - 2021	2.45% - 4.00%	20,110,000	-	(2,810,000)	17,300,000
JIPSD	2021 - 2037	5.00% - 5.50%	<u>398,223</u>	<u>-</u>	<u>(9,248)</u>	<u>388,975</u>
Total general obligation bonds			<u>20,508,223</u>	<u>-</u>	<u>(2,819,248)</u>	<u>17,688,975</u>
Capital lease obligations:						
CCPRC	2010 - 2011	2.05% - 4.41%	2,406,471	-	(1,072,843)	1,333,628
JIPSD	2010 - 2018	4.07% - 6.88%	2,031,891	-	(381,556)	1,650,335
SAPPPC	2011 - 2012	3.45% - 3.50%	123,909	-	(35,946)	87,963
SJFD	2010 - 2021	4.44% - 5.593%	5,587,454	296,350	(701,594)	5,182,210
SPFD	2010 - 2014	4.67% - 4.86%	<u>125,199</u>	<u>336,000</u>	<u>(39,842)</u>	<u>421,357</u>
Total capital lease obligations			<u>10,274,924</u>	<u>632,350</u>	<u>(2,231,781)</u>	<u>8,675,493</u>
Revenue Bonds:						
SAPPPC	2011 - 2019	3.41% - 3.99%	563,885	100,000	(121,684)	542,201
JIPSD	2010 - 2037	2.00% - 5.75%	7,183,209	-	(557,204)	6,626,005
Less deferred refunding costs			<u>(579,843)</u>	<u>-</u>	<u>58,474</u>	<u>(521,369)</u>
Total revenue bonds			<u>7,167,251</u>	<u>100,000</u>	<u>(620,414)</u>	<u>6,646,837</u>
Notes payable						
SAPPPC	2010 - 2019	3.89% - 3.99%	<u>87,404</u>	<u>60,000</u>	<u>(70,931)</u>	<u>76,473</u>
Total component units long-term obligations			<u>\$41,962,721</u>	<u>\$ 2,415,631</u>	<u>\$ (6,527,447)</u>	<u>\$ 37,850,905</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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The annual debt service requirements to maturity for component unit long-term obligations, excluding compensated absences, are as follows:

General Obligation Bonds:

<u>Year Ending June 30</u>	<u>CCPRC</u>	<u>JIPSD</u>	<u>Total Component Units</u>
2010	\$ 3,038,639	\$ 30,902	\$ 3,069,541
2011	2,413,991	30,902	2,444,893
2012	2,495,791	30,902	2,526,693
2013	2,771,391	30,902	2,802,293
2014	2,827,541	30,902	2,858,443
2015-2019	5,758,895	154,510	5,913,405
2020-2024	1,264,201	127,754	1,391,955
2025-2029	-	113,130	113,130
2030-2034	-	113,130	113,130
2035-2037	-	55,277	55,277
Total	20,570,449	718,311	21,288,760
Less interest and plus unamortized premium included above	<u>(3,270,449)</u>	<u>(329,336)</u>	<u>(3,599,785)</u>
Debt per statement of net assets	<u>\$ 17,300,000</u>	<u>\$ 388,975</u>	<u>\$ 17,688,975</u>

Future minimum capital lease payments:

<u>Year Ending June 30</u>	<u>CCPRC</u>	<u>JIPSD</u>	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
2010	\$ 881,983	\$ 455,053	\$ 39,706	\$ 900,333	\$ 122,772	\$ 2,399,847
2011	488,984	407,410	36,417	900,333	122,772	1,955,916
2012	-	353,806	15,633	830,593	77,079	1,277,111
2013	-	291,616	-	589,627	77,079	958,322
2014	-	185,226	-	589,627	77,079	851,932
2015-2019	-	132,350	-	2,269,182	-	2,401,532
2020-2021	-	-	-	578,229	-	578,229
Future minimum capital lease payments	1,370,967	1,825,461	91,756	6,657,924	476,781	10,422,889
Less amount representing interest	<u>(37,339)</u>	<u>(175,126)</u>	<u>(3,793)</u>	<u>(1,475,714)</u>	<u>(55,424)</u>	<u>(1,747,396)</u>
Debt per statement of net assets	<u>\$1,333,628</u>	<u>\$ 1,650,335</u>	<u>\$ 87,963</u>	<u>\$ 5,182,210</u>	<u>\$ 421,357</u>	<u>\$ 8,675,493</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Revenue Bonds:

<u>Year ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	<u>Total Component Units</u>
2010	\$ 869,940	\$ 155,116	\$ 1,025,056
2011	867,140	132,630	999,770
2012	873,739	87,393	961,132
2013	874,340	71,679	946,019
2014	869,140	60,616	929,756
2015-2019	3,327,210	90,857	3,418,067
2020-2024	298,320	-	298,320
2025-2028	298,320	-	298,320
2029-2033	206,191	-	206,191
2034-2038	61,088	-	61,088
Total	8,545,428	598,291	9,143,719
Less interest and deferred refunding costs included above	<u>(2,440,792)</u>	<u>(56,090)</u>	<u>(2,496,882)</u>
Debt per statement of net assets	<u>\$ 6,104,636</u>	<u>\$ 542,201</u>	<u>\$ 6,646,837</u>

Notes Payable:

<u>Year ending June 30</u>	<u>SAPPPC</u>
2010	\$ 27,263
2011	7,273
2012	7,274
2013	7,261
2014	7,260
2015-2019	<u>31,524</u>
Total	87,855
Less interest included above	<u>(11,382)</u>
Debt per statement of net assets	<u>\$ 76,473</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Prior Year Defeasance of Debt. In prior years, the primary government defeased various outstanding debt issues by placing proceeds of new debt or other funds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in these financial statements. At June 30, 2009, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary government:		
General Obligation Bonds:		
Series 1994	\$ 10,310,000	
Series 1999	<u>20,045,000</u>	
Total General Obligation Bonds	<u>30,355,000</u>	
Certificates of Participation:		
Series 1995	<u>37,304,936</u>	\$ 8,795,064
Total Certificates of Participation	<u>37,304,936</u>	<u>8,795,064</u>
Revenue Bonds:		
Solid Waste User Fee Revenue Bonds		
Series 1994	<u>-</u>	<u>8,450,000</u>
Total Revenue Bonds	<u>-</u>	<u>8,450,000</u>
Total primary government	<u>\$ 67,659,936</u>	<u>\$ 17,245,064</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Legal Debt Limit. The County's borrowing power is restricted by amended Article X, Section 14 of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have total general obligation debt outstanding in an amount that exceeds eight percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on December 1, 1977, the effective date of the constitutional amendment.

Beginning January 1, 1996, the South Carolina Legislature changed the definition of debt subject to the 8 percent limit to include all Certificates of Participation at the time of issue subsequent to December 31, 1995. The following computation reflects the County's compliance with this limitation:

Assessed value of real and personal property	\$ 2,959,891,606
Value of merchants inventory and manufacturers depreciation	<u>30,454,011</u>
Total assessed value	<u>\$ 2,990,345,617</u>
Debt limitation - eight percent of total assessed value	\$ 239,227,649
Total bonded debt:	
General Obligation Bonds	\$353,265,000
Less:	
Bonds issued pursuant to referendum:	
Series 2007 G.O. Bond Transportation Sales tax	\$(150,000,000)
Series 2006 G.O. Bond Transportation Sales tax	(61,095,000)
Series 2004 Refunding G.O. Bond:	(4,307,199)
Series 1999 Refunding G.O. Bond:	<u>(5,000,000)</u> <u>(220,402,199)</u>
Total debt subject to debt limit	<u>132,862,801</u>
Legal debt margin	<u>\$ 106,364,848</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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J. Reserved and Designated Fund Equity

Reserved for inventories and prepaid items. Fund balance has been reserved for inventories and prepaid items to indicate that these amounts do not represent available spendable resources even though they are components of net current assets.

Reserved for encumbrances. Encumbrances representing commitments to vendors which had not been received or completed at year-end have been reserved since they are not legally available for appropriation.

Reserved for debt service. Fund balance subject to the provision of various bond indenture and Certificate of Participation lease agreements as to restrictions on expenditures.

Reserved for capital projects. All capital project fund balances, are reserved for the acquisition of capital assets, for the completion of existing projects and for future projects.

Reserved for Transportation and Road Sales Tax Special Revenue Fund. Fund balance subject to the provisions of bond restrictions on expenditures. This amount is \$171,548,405 for the current fiscal year.

Designated for rainy day. An amount of \$8,000,000 has been established through the budget ordinance by County Council as a rainy day fund. The intent of this fund is to provide a cushion for unexpected emergencies in the event of a major catastrophe such as an earthquake, hurricane, nuclear accident or chemical spill. The rainy day fund can only be appropriated through the passage of another ordinance by County Council.

Designated for subsequent years' appropriation. The fiscal year 2010 budget ordinance designates \$6,268,284 of the ending fiscal year 2009 General Fund Balance for fiscal year 2010 appropriations. Remaining Special Revenue Fund Balances, after the reserve for encumbrances, have been designated in accordance with the various use restrictions placed on their assets under the applicable grant agreements and legislation.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

IV. OTHER INFORMATION

A. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For all of these risks, the County and its component units are members of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units pay an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board. The County records contributions from employer funds, employees, and retirees in the Employee Benefits Trust Internal Service Fund which remits the premiums to the State. The State reinsures through commercial companies for these risks. The various component units of the County insure the health, life, accident, dental and other medical benefits to their employees and their dependents through commercial insurance companies.

Effective July 1, 1995, the County established a self-insured plan to fund risks associated with workers' compensation claims. Claims administration is handled by a third party with reinsurance through commercial insurance companies for all individual claims in excess of \$100,000. All funds of the County participate in the program and make payments to the Workers' Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$2,750,000 reported in the Fund at June 30, 2009, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County purchases insurance contracts from commercial insurers to satisfy certain liabilities under workers' compensation claims; accordingly, no liability is reported for those claims.

Changes in the Fund's estimated claims liability amount in fiscal year 2009 and 2008 were:

<u>Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2008	\$ 2,290,000	\$ 3,105,688	\$ (3,220,688)	\$ 2,175,000
2009	2,175,000	4,133,680	(3,558,680)	2,750,000

The above liability is included in the County's accounts payable as reported in the statement of net assets.

For all of the above risk management programs, except workers' compensation, the County and its component units have not significantly reduced insurance coverages from the previous year; settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the County and its Component units have effectively transferred all risk with no liability for unfunded claims.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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B. Segment Information

The County maintains an enterprise fund which provides drug and alcohol abuse treatment. This fund is supported by a revenue-backed COP. The County also has an enterprise fund for solid waste disposal. It is presented as a major business-type fund.

Condensed Statement of Net Assets:

	DAODAS
Assets:	
Current assets	\$ 4,751,347
Deferred issuance costs	58,194
Capital assets	<u>7,325,997</u>
Total assets	<u>\$ 12,135,538</u>
Liabilities:	
Current liabilities	773,347
Certificates of participation	3,257,716
Other long-term obligations	<u>448,368</u>
Total liabilities	<u>4,479,431</u>
Net Assets:	
Invested in capital assets, net of related debt	3,647,385
Unrestricted	<u>4,008,722</u>
Total net assets	<u>7,656,107</u>
Total liabilities and net assets	<u>\$ 12,135,538</u>

**Condensed Statement of Revenues,
Expenses, and Changes in Net Assets:**

	DAODAS
Operating revenues	\$ 6,867,546
Depreciation and amortization	(266,702)
Other operating expenses	<u>(9,872,396)</u>
Operating income (loss)	<u>(3,271,552)</u>
Nonoperating revenues (expenses):	
Interest income	42,328
Interest expense	(287,898)
Intergovernmental revenue	751,627
Gain (loss) on disposal of assets	<u>4,671</u>
Total nonoperating revenues (expenses)	<u>510,728</u>
Transfers in	<u>2,659,287</u>
Change in net assets	(101,537)
Beginning net assets	<u>7,757,644</u>
Ending net assets	<u>\$ 7,656,107</u>

Condensed Statement of Cash Flows:

	DAODAS
Net cash provided (used) by:	
Operating activities	\$ (2,828,551)
Noncapital financing activities	3,298,352
Capital and related financing activities	(676,649)
Investing activities	<u>42,328</u>
Net increase (decrease)	<u>(164,520)</u>
Beginning cash and cash equivalents	<u>3,658,401</u>
Ending cash and cash equivalents	<u>\$ 3,493,881</u>

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C. Subsequent Events

On August 13, 2009, the County issued General Obligation Bonds with a par value of \$70,775,000. The bonds consist of Series A and Series B. The Series A bonds have a par value of \$50,000,000 and are to be used for capital improvements. The Series B bonds have a par value of \$20,775,000 and are to be used for the refunding of the County's Series 1999, General Obligation Improvement and Refunding Bonds.

On October 30, 2009, the County purchased land costing \$1,421,343, to be used as the site of the future consolidated dispatch center. The land is located on the Palmetto Commerce Parkway in North Charleston.

County Council has decided to allow the contract with Montenay for the operation of the incinerator to cease without renewal. The County is reviewing alternatives for the disposal of waste.

On November 9, 2009, the James Island Public Service District borrowed \$650,000 from its proprietary fund on a promissory note that matures six months from date of issue. Interest will be paid at .75 percent during the period the note is outstanding.

During the fiscal year, Charleston County Council approved the future issuance of a tax anticipation note (TAN) in the amount of \$1,000,000 for St. John's Fire District. Subsequent to June 30, 2009, the District has not borrowed any funds on this TAN. The entire \$1,000,000 is available to the District as of the date of their audit report (October 16, 2009). This note, which bears interest at a rate equal to the interest rate paid by the South Carolina Investment Pool during the period the note is outstanding, is due and payable in March 2010.

On October 2, 2009, St. Paul's Fire District was awarded a grant in the amount of \$1,470,359 through the Department of Homeland Security for the Assistance to Firefighter's Station Grant Program for the construction of a new fire station. Under the terms of the grant, St. Paul's Fire District will be required to contribute \$200,000 to the project.

D. Contingent Liabilities

Federal Grants. Amounts received or receivable from grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Management has not been informed of any significant matters of non-compliance with grant provisions or planned grantor audits. The amount of grant expenditures which may be disallowed cannot be determined at this time, but the County believes that any amount will be immaterial.

Litigation. The County and its component units are party to various lawsuits that are normal in the operations of a county government. These lawsuits involve disputes arising from various matters, including the termination of employment, wrongful death and survival, personal injury and other tort actions, delinquent tax sales, contractual agreements and civil rights violations. It is the opinion of legal counsel that it cannot be determined whether resolution of these matters, individually or in the aggregate in excess of insurance coverage, will have a material adverse effect on the financial condition of the County and its component units.

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Annexation. Several of the component units serve geographic regions which are subject to annexation by the surrounding municipalities. Should these annexations continue, there could be a significant impact on the operations of the various component units. The South Carolina General Assembly is currently considering legislation which would require the municipality which annexes properties of another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the date of annexation.

In May 2000 the South Carolina General Assembly passed legislation to address the loss of revenues by public service districts due to annexations by municipalities. The legislation calls for an agreed-upon plan between the annexing municipality and the public service district. This plan would protect the remaining unannexed area in the public service district from economic loss of revenue brought about by annexation.

This new legislation should lessen but not eliminate the impact on the operations of various component units due to annexations.

E. Commitments

The County and its various component units have various commitments to provide facilities or services under numerous agreements signed with third parties in addition to its construction commitments and recorded encumbrances.

The County has contracted with Montenay to provide waste disposal services at the company's incinerator in North Charleston. The contract requires the County to levy a user fee sufficient to pay this disposal fee that includes operational cost plus debt service on a \$75,000,000 Industrial Development Bond (IDB) used to construct the incinerator. This agreement expires on January 1, 2010, when the bonds mature. At that time, the County has the option to purchase the facility for its fair market value, extend the agreement or terminate the service. The County has reviewed the substance of this commitment and has determined that because 1) the IDB is not the County's; 2) the debt service is part of the operational cost the County pays to the incinerator operator; and 3) if the operator ceases providing service at the incinerator the County is not liable for the operational cost to the operator the IDB is not debt of the County and therefore is not reflected on the entity-wide financial statements.

In July 2001 the County entered into an intergovernmental agreement with the South Carolina Infrastructure Bank to make twenty-five annual payments of \$3,000,000 beginning in January 2004 as a local match to help defray the cost of the Arthur Ravenel, Jr. Bridge over the Cooper River built by the State to replace the existing bridges connecting the City of Charleston and the Town of Mt. Pleasant. This debt is shown as an inter-government note payable in Note I of these financial statements.

On September 15, 1997, the County entered into an intergovernmental agreement with the City of North Charleston to help fund the construction of a convention center adjacent to the North Charleston Coliseum. The agreement requires the County to be responsible for the pro-rata debt service on \$18,095,000 of a total \$48,045,000 in Certificates of Participation issued by the City on September 15, 1997. The debt service is to be paid monthly to a trustee from the revenues of the County Accommodations Special Revenue Fund. The agreement allows for non-payment in the event of non-appropriation by the City of North Charleston and for reduced payments if accommodation fee revenues fall below the payment amount. Annual debt service on the County's \$18,095,000 obligation, maturing in 2020, under the agreement is approximately \$1.4 million.

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The County partnered with the City of Charleston and Berkeley County to construct the Daniel Island Tennis Center. County Council committed to fund \$750,000 of the project with 15 annual payments of \$50,000 from Accommodations Fee revenues. This agreement contains the same allowances for reduced or non-payment as the City of North Charleston agreement.

Both of these agreements are funded from a specific source of funds, the Accommodations Fee. The agreements also contain provisions for the non-payment of these obligations by the County if the revenues from the Accommodations Fee are not sufficient to make the payment or if the parties that issued the debt (the City of North Charleston and City of Charleston, respectively) do not make their pro-rata debt service. Therefore, the determination has been made that these commitments do not represent debt to the County and are not reflected in the entity-wide financial statements.

In July 2005 the County entered into an agreement with the LPA Group Incorporated for program management services of the County's \$150,000,000 roads portion of the half-cent sales tax monies (Roadwise Program). The original contract amount was \$18,329,782 over a five year period beginning July 2005. The services are to include; design work, right of way easements, consulting on feasibility, land acquisitions, engineering work, developing bid specifications, and construction services. Amendment 1 of the contract was approved August 23, 2007, changing the contract amount to \$17,973,126 and leaving the contract length unchanged. Amendment 2 of the contract was approved October 20, 2008, changing the contract amount to \$17,882,899 and leaving the contract length the same. Starting November 2008, the contract contains for a monthly base fee of \$316,824, plus 10 percent of work completed. This base fee increases each fiscal year.

The following is a schedule by fiscal year of the minimum future payments under this contract:

<u>Year ending June 30</u>	
2010	\$ 3,981,232
TOTAL	<u>\$ 3,981,232</u>

The amount paid for these services for the year-ended June 30, 2009, was \$4,876,998.

On April 7, 2008, the County entered into a 10-year agreement with the Charleston Animal Society formerly the John Ancrum Society for the Prevention of Cruelty to Animals for the care and impoundment of animals delivered to the shelter by the County. The original agreement with the Society was dated January 23, 1979, and has been updated several times since then. The amended noncancelable portion of the agreement calls for the County to pay a base monthly fee of \$34,539. Additionally, the County agrees to pay the Society \$5.77 for the receiving and immunization of each animal placed in custody and \$5.77 boarding fee per animal per day. The County will also pay a euthanasia fee of \$5.77 fee for each animal. The County also agrees to pay any reasonable out-of-pocket expenses associated with animal cruelty cases.

As part of the contract, the County provided \$4,500,000 in funds and property towards the construction of a new shelter. Upon early termination of the agreement by the Society, the Society shall repay the County a pro-rata portion of the \$4,500,000.

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This contract was amended on July 1, 2009. The amended non-cancellable portion of the agreement calls for the County to pay a base monthly fee of \$51,772, as well as, \$7.48 for the receiving and immunization of each animal placed in the custody of the Society, and \$7.48 boarding fee per animal per day. The County will also pay an euthanasia fee of \$7.48 to the Society for each animal euthanized.

In addition, the County agrees to pay a cremation fee of \$7.48 for each dead animal brought to the shelter by a law enforcement officer, animal control officer of the County or municipality within the County. The Society will bill the County separately for stray animals that it receives from citizens of the County.

The non-cancelable portion of the agreement states the County shall continue to pay the Society the current monthly fee for a five-year period plus any annual increases in the CPI during such five-year period if the County terminates the contract.

The Charleston County Park and Recreation Commission has entered into an agreement with the City of Folly Beach to restrict \$50,000 each year to provide for the re-nourishment of the erosion that occurs along Folly Beach. This annual amount increased to \$60,000 per year in the fiscal year ending June 30, 2003. During the year ended June 30, 2009, \$0 funds were transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$284,869 has been reserved for beach re-nourishment.

As of June 30, 1997, the Charleston County Park and Recreation Commission had provided approximately \$2,065,171 to the City of Charleston for the construction of the Charleston Maritime Center which was to be leased to and operated by the Commission. On August 4, 1997, the City of Charleston and Charleston County Park and Recreation Commission entered into an agreement that terminated the Master Lease of the Charleston Maritime Center dated August 1, 1995, between the two parties. This agreement grants the Commission the right of first refusal for the purchase of the Maritime Center for a period of 50 years from the date of execution of the agreement. In the event that the Commission does elect to purchase the Maritime Center, then the City of Charleston will credit \$1,500,000 toward the purchase price. If the Commission elects not to purchase the Maritime Center, then the City of Charleston will pay the Commission \$1,500,000 from the proceeds of the sale.

The Charleston County Park and Recreation Commission has an agreement with the Charleston County School District to cooperate in the operation of a Community Education Program. Each sponsor has determined which of its facilities and resources is available to the Community Education Program and agrees to supply the cost of necessary part-time professional staff that may be required. Available state, federal, and private funding is sought with the remaining costs shared to the extent agreed upon by the parties. The agreement with the School District was modified in July 1992 to provide for one-half of the Commission's share of the expenses to be paid to the school district prior to December 21 of each fiscal year and the balance to be paid by March 12 of the following year. Total payments made prior to June 30, 2009, for the 2009 program year were \$445,765. The agreement was modified for the 2007 program year to provide for an equitable sharing of increased program fees collected during the year. The amount accrued as program revenue under this agreement was \$344,603.

In July 1995 the Commission entered into a lease agreement with Charleston County whereby the Commission assumed the responsibilities of operating and maintaining 19 boat landings throughout Charleston County. The lease is for a term of 99 years and commenced on July 1, 1995. The Commission pays a nominal fee of \$1 per year under the lease terms, but the agreement expressed the intent of Charleston County to transfer millage each year to help fund related expenses. Funding is contingent upon future County Council approval.

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On June 29, 1988, Kiawah Island was sold to Kiawah Resort Associates. The Charleston County Park and Recreation Commission has been in contact with the owners in order to obtain a new lease agreement for Beach Walker Park. A verbal agreement has been made to ensure that the Park can continue to operate. To date, however, no formal agreement has been signed.

During 1988 the Charleston County Park and Recreation Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of James Island County Park. The Commission is awaiting determination from the South Carolina Highway Department on the future location of the Mark Clark corridor.

An open letter of credit for \$33,460 was established in 1989 with the Wachovia Bank at the request of the Commissioners of Public Works. The Charleston County Park and Recreation Commission is required to keep this line of credit open. As of year end, none of this credit had been utilized.

In December 2000 the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee and 0.6 acres of easements to the Charleston County Park and Recreation Commission in a Quitclaim Deed. The property conveyed includes areas presently known as the Cooper River Marina, previously known as the Old Navy Base Marina facilities. The conveyance has several restrictions including the following: the property must be used and maintained for the public park and recreation purposes for which it was conveyed in perpetuity, the property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the same continued use of the property, and funds generated on the property may not be used for non-recreational purposes and, furthermore, must be used for the development, operation and maintenance of the property until it is fully developed in accordance with the Program of Utilization. There are also various reporting requirements.

On August 22, 2005, the Charleston County Park and Recreation Commission entered into an agreement with K.L.B. Group DBA Locklear's Beach City Grill to allow this corporation to operate the restaurant at the Folly Pier. The original lease term was for five years beginning October 1, 2005. The building held for rent had an estimated cost of \$1,253,494 and an estimated net book value of \$970,099. Rent started at \$7,400 per month and increases each October based on the current CPI. The new rental per month based on the CPI increased to \$8,070 per month on October 1, 2008. The lease also provided for contingent rentals of 6 percent of annual sales greater than \$1,200,000.

On August 16, 2007, the Commission and K.L.B. Group agreed to suspend the contract for convenience during the time period October 1, 2007 through March 1, 2008, so that the Commission could progress with repairs to the Folly Beach Fishing Pier building. In return, the lessee will receive an extension of the lease for the period of time the building is closed for repairs. The lease was suspended for five months in the fiscal year ending 2008, and extended for five months during the fiscal year ending 2011.

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The following is a schedule by years of the minimum future rentals on the non-cancelable operating lease as of June 30, 2009:

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 96,840
2011	<u>29,600</u>
Total minimum lease rentals	<u>\$ 126,440</u>

Total rent income of \$96,135 was recorded during the year.

The Cooper River Park and Playground Commission contracted on July 1, 1996, with the City of North Charleston (City) to provide recreational services for the fiscal year to the citizens within the Commission's jurisdictional boundaries. Since the original contract date, the Commission and the City have renewed this contract annually with an effective date of July 1 of each fiscal year. Under the terms of this contract, the City agrees to pay all reasonable administrative and professional costs incurred by the Commission, and the Commission agrees to transfer and pay over to the City all appropriated funds, from whatever source, in the accounts of the Commission except for the remaining unreserved fund balance carried forward from June 30, 2008, in the amount of \$61,340. The City also assumed control and possession (but not legal title) of fixed property and equipment. Due to the declining tax base and the fractured property lines of the Commission, it would be difficult or impractical to provide services to its citizens without this contract with the City. On May 28, 2009, the Commission entered into another one year contract with the City covering the period from July 1, 2009 to June 30, 2010, with essentially identical terms as previous contracts.

Certain real estate and facilities acquired by the Cooper River Park and Playground Commission are located within the corporate limits of the City of North Charleston. Those facilities were originally leased to the City for a 25-year lease term commencing May 23, 1980, at a \$1 annual rental fee. This lease was renegotiated and signed May 23, 2006, for a 50-year term at a \$1 annual rental fee. Additional facilities were leased in February and May of 1990 for a 100-year term also at an annual rental fee of \$1.

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2009, the leased assets have a book value of \$94,690.

The North Charleston District entered into an agreement on April 1, 1996, with the City of North Charleston for the City to provide fire, sanitation, and street lighting services to the constituents of the District. The contract requires the payment of substantially all of the District's revenues to the City and turning over control and possession, but not legal title to, all of the District's fixed property and equipment. On an annual basis since June 30, 1997, the District has entered into additional one year contracts with the City with essentially the same terms as described above. To fulfill the contract at June 30, 2009, the District owes the City \$33,406. This contract was extended for one year until June 30, 2010.

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F. Deferred Compensation Plan

The County and its component units offer their employees several deferred compensation plans under programs administered by the South Carolina Deferred Compensation Commission. The multiple employer plans were created in accordance with Internal Revenue Code Sections 457 and 401(K). The plans, available to all full-time County and component unit employees, at their option, permit participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee.

During the year ended June 30, 2000, the deferred compensation plans were amended to allow for employer matching contributions of up to \$300 per year for each covered participant. Effective December 23, 2008, the County suspended this match of \$75 per quarter. The total contributions made by the County's plan members were \$2,722,590 for the fiscal year ending June 30, 2009.

G. Other Post Employment Benefits

Plan Description

The County provides post-retirement health, life and dental care benefits, as per the requirement of a local ordinance, for certain retirees and their dependents. Substantially all employees who retire under the State retirement plans are eligible to continue their coverage with the County paying 50 percent of health insurance premiums and the retiree paying 100 percent of life and dental insurance premiums and the remaining 50 percent of the health insurance premiums. The County's regular insurance providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. Effective July 1, 2008, the County modified its post employment benefits policy as follows:

- A) Increase years of service with the County:
 - 1. Twenty five years of service with the County for the fifty percent of health premium benefit.
 - 2. Fifteen years of service with the County for the twenty five percent of health premium benefit.
- B) Reduce surviving spouse benefit to one year for future retirees who start work with the County January 1, 2009 and later.

The James Island Public Service District also provides a retiree benefit equal to 100 percent of the health insurance premiums over age 65 and a portion if under age 65. The retiree must pay for all life and dental insurance premiums.

During the fiscal year ended June 30, 2009, the St. Paul's Fire District established a policy that allows retiree insurance benefits. This benefit is available to any employee who is eligible for retirement or has retired on approved disability and has at least 10 years of service under the SC Retirement System or Police Officer Retirement System. Retiree funded insurance coverage does not include dependent coverage. However, the retiree may elect to keep dependent coverage by paying the full amount of dependent coverage through the District office on a monthly basis. Coverage will be terminated the day following the death of retiree or when the retiree turns sixty-five years of age and is then eligible for Medicare or Medicaid.

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The Charleston County Park and Recreation Commission provide retiree benefits as follows:

- A) Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost and 50% of the dependent cost for health and dental coverage.
- B) Any covered employee who retire with 25 years or more years of Commission-covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular, position. The Commission will pay 100% of the retiree cost and 65% of the dependent cost for health and dental coverage.
- C) The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50% or 65%) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

Funding Policy

As of year-end, there were 553 employees who had retired from the County and are receiving health insurance premium coverage benefits. The County currently finances the plan on a pay-as-you-go basis. For the year ended June 30, 2009, the County recognized expenses of \$1,155,704 for healthcare, which were net of retiree contributions of \$1,117,345. The James Island Public Service District had 25 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$151,532 for health care premium net of retiree contributions of \$35,258. The St. Paul's Fire District had 2 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$8,667 for health care premiums. The Charleston County Park and Recreation Commission had 5 employees who are retired and receiving benefits.

The County's annual cost (expense) for other post employment benefits is calculated based on the annual required contribution (ARC) of the employer, which is actuarially determined based upon the requirements and parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The ARC represents the amount of funding required that, if paid on an annual basis, is projected to cover the normal cost for each year plus the amount necessary to amortize any unfunded liability over a period not to exceed 30 years.

For the year ended June 30, 2009, the County's annual OPEB cost was \$5,947,354 for the post employment healthcare plan. The County's annual OPEB cost and net OPE obligation were as follows:

Annual Required Contribution	\$ 5,947,354
Less contributions made	<u>(1,872,824)</u>
Change in net OPEB obligation	4,074,530
Net OPEB obligation beginning of the year	<u>4,211,804</u>
Net OPEB obligation end of the year	<u>\$ 8,286,334</u>

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Calculations of benefits for financial reporting purposes are based on the substantive plan understood by the employer and the plan members. The calculations include the types of benefits provided at the time of each valuation and the historical costs, shared by the employer and the plan members to that point.

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. The actuarial assumptions used in calculating the County's UAAL and ARC are elaborated later in this note. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The projected unit cost method, pay-as-you-go (PAYGO) funding policy was used to calculate to County's ARC.

Projections of benefits for financial reporting purposes are made on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In order to perform the valuation, it was necessary for the County and the actuary to make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates.

The Entry Age Normal Actuarial Cost Method was used in the July 1, 2006 valuation. The actuarial assumptions included 7.25 percent investment rate of return. For all retirees the healthcare cost trends 2006 to 2007 were a rate of 10 percent. The trends rate will decrease in 0.5 percent steps until it reaches 4.5 percent and then will remain level. General inflation is assumed to be 3.0 percent per year. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was twenty-eight years.

H. Funds Held by Coastal Community Foundation

As of June 30, 2009, the Coastal Community Foundation was holding \$318,273 in the Charleston County Library Fund. The fund was established in November 1983 as a capital fund for the purpose of providing support for unusual or innovative programs and services at the Library not normally funded by government appropriations. Of the balance, \$11,834 is available for grants to the Library.

As of June 30, 2009, the Coastal Community Foundation was holding \$60,475 in the Roper Foundation Community Wellness Endowment for the Charleston County Library. The endowment was established for the purpose of updating the health education information collection. At year-end, \$2,758 is available for grants to the Library.

These amounts are not reflected in the Library's financial statements until grants are received by the Library from the Foundation.

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I. Employee Retirement Systems and Plans

South Carolina Retirement and Police Officers' Retirement Systems

Plan Description. All permanent employees of the County and its component units, except for certain employees involved in law enforcement and fire fighting activities, participate in the South Carolina Retirement System (SCRS). The employees excluded above participate in the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost-sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. The SCRS and SCPORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits to plan members and beneficiaries. Each plan's provisions are established under Title 9 of the S.C. Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for both the SCRS and SCPORS is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Funding Policy - SCRS. Plan members are required to contribute 6.50 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 9.24 percent of annual covered payroll. The contribution requirements of plan members and employers are established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended).

Funding Policy - SCPORS. Plan members are required to contribute 6.7 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 10.65 percent of annual covered payroll. The contribution requirements of plan members and employers are established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended).

Additionally, participating employers of the SCRS contribute .15 percent of payroll to provide a group life insurance benefit for their participants.

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The following table presents the required contributions to the SCRS and SCPORS by the County and its component units for the years ended June 30, 2009, 2008, and 2007:

	<u>Fiscal Year Ended June 30</u>		
<u>SCRS Contributions</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Primary government:	\$ 6,157,100	\$ 5,721,280	\$ 4,764,224
Component units:			
CCL	670,394	684,830	542,314
CCPRC	691,007	605,375	497,760
JIPSD	402,807	363,871	328,657
SAPPPC	109,493	110,901	90,314
SJFD	44,726	42,971	33,575
SPFD	<u>7,633</u>	<u>5,261</u>	<u>4,405</u>
Total SCRS	<u>\$ 8,083,160</u>	<u>\$ 7,534,489</u>	<u>\$ 6,261,249</u>
<u>SCPORS Contributions</u>			
Primary government:	\$ 3,290,463	\$ 3,157,167	\$ 2,831,604
Component units:			
SJFD	479,814	407,113	385,573
SPFD	<u>236,949</u>	<u>175,945</u>	<u>173,041</u>
Total SCPORS	<u>\$ 4,007,226</u>	<u>\$ 3,740,225</u>	<u>\$ 3,390,218</u>

One hundred percent of the required contributions have been made for the current and each of the previous two years.

J. New Accounting Pronouncements

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The definitions of the general fund, special revenue fund types, capital project fund type, debt service fund type and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities chosen to be reported in special revenue funds. The requirements of the Statement are effective for financial statements for period beginning after June 15, 2010. Fund balance reclassifications made to conform to the provisions of this statement are required to be applied retroactively by restating beginning fund balance.



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CHARLESTON COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION



COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS –
DEFINED BENEFIT HEALTH CARE PLAN
FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
Primary Government						
7/1/2007	\$ -	\$ 35,700,191	\$ 35,700,191	0%	\$ 93,550,000	38.16%
7/1/2008	\$ -	\$ 35,700,191	\$ 35,700,191	0%	\$ 97,800,000	36.50%
Component Units						
<u>7/1/2007</u>						
JIPSD	\$ -	\$ 6,024,106	\$ 6,024,106	0%	\$ 4,105,074	146.74%
CCPRC	\$ -	\$ 3,089,213	\$ 3,089,213	0%	\$ 6,457,330	47.84%
SPFD	\$ -	\$ 3,111,459	\$ 3,111,459	0%	\$ 2,022,100	153.87%
<u>7/1/2008</u>						
JIPSD	\$ -	\$ 6,024,106	\$ 6,024,106	0%	\$ 4,333,412	139.01%
CCPRC	\$ -	\$ 3,089,213	\$ 3,089,213	0%	\$ 7,155,052	43.18%
SPFD	\$ -	\$ 1,138,768	\$ 1,138,768	0%	\$ 2,299,864	49.51%

Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the County and its component units have elected to implement prospectively. Therefore, three year comparative data is not available. In future years, three-year trend information will be presented.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Funded
Primary Government				
2008	\$ 5,874,245	\$ 1,662,441	\$ 4,211,804	28.30%
2009	\$ 5,947,354	\$ 1,872,824	\$ 4,074,530	31.49%
Component Units				
<u>2008</u>				
JIPSD	\$ 481,068	\$ 133,622	\$ 347,446	27.78%
CCPRC	\$ 378,935	\$ -	\$ 378,935	0%
SPFD	\$ 367,100	\$ -	\$ 367,100	0%
<u>2009</u>				
JIPSD	\$ 504,234	\$ 151,532	\$ 352,702	30.05%
CCPRC	\$ 378,935	\$ -	\$ 378,935	0%
SPFD	\$ 242,038	\$ -	\$ 242,038	0%

**CHARLESTON COUNTY, SOUTH CAROLINA
COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**



CHARLESTON COUNTY COMBINING SCHEDULES - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Accommodations – This fund is used to account for the two percent local accommodation tax collected by the County and the two percent accommodation tax collected by the State on transient room rentals throughout the County. All expenditures must be tourist related with the exception of the first \$25,000 and five percent of the remainder of accommodations taxes remitted by the State. The budget is adopted on an annual basis.

American Recovery and Reinvestment Act – This fund was established to account for grants received under the economic stimulus package enacted by the United States Congress. The Act was intended to provide a stimulus to the United States economy in the wake of the economic downturn.

Child Support Enforcement – This fund is used to account for federal monies received to enforce child support obligations at the local level. The budget is adopted on an annual basis.

Community Development – This fund is used to account for Community Development Block Grants received from the U.S. Department of Housing and Urban Development, various state community development grants and matching funds. The budget is adopted on a project-length basis.

Construction Public Works – This fund is used to account for the receipt of state gasoline tax "C" funds earmarked for local road maintenance. The budget is adopted on a project-length basis.

Economic Development – This fund was established to account for local cooperative economic development activities in the tri-county area. Revenue is received from Multi-county Industrial Park fees assessed in lieu of property taxes on individual properties under regulations developed by the S. C. Department of Revenue. The budget is adopted on an annual basis.

Education – This fund is used to account for specific property taxes levied to fund maintenance of facilities owned by the Trident Technical College within the tri-county area used by residents of Charleston County. The budget is adopted on an annual basis.

Emergency Medical Services – This fund is used to account for proceeds of state grants and matching funds used to purchase equipment for use by emergency medical service personnel. The budget is adopted on a project-length basis.

Fire Districts – This fund was established to account for revenues generated by a property tax levy in the Awendaw, Boone Hall, East Cooper, McClellanville area, North Charleston and West St. Andrew's Fire Protection Districts and funds received under a contract with the Towns of McClellanville and Awendaw to provide fire protection for the Town's residents. These services are provided by County employees and through contracts with other entities. The budget is adopted on an annual basis.

Grants Contributions – This fund was established to account for contributions made to the County for the benefit of the grants program participants and used to provide recognition for special achievements. The budget is adopted on a project-length basis.

Hazardous Materials Enforcement – This fund was established to pay for a county-wide hazardous materials training program and to acquire equipment needed to support the various fire departments within the county when they have to handle hazardous material situations. It is funded by a fee charged to the various businesses within the county that use hazardous materials, pollution control fines collected by the state and prior year transfers from the general fund. The budget is adopted on an annual basis.

Public Defender - This fund was established to account for the activities of the Ninth Circuit Public Defender. The Public Defender is mandated to defend in the State court system all persons within Charleston County who are required by Statute, State or Federal Constitution to be provided with a legal counsel at public expense. The budget is adopted on an annual basis.

Safety Enforcement – This fund is used to account for federal and state grants, contributions from individuals and corporations, and County matching funds to provide public safety enforcement and prevention activities. The budget is adopted on a project-length basis.

Sheriff – This fund was established to account for federal and state grants and asset forfeitures received in various drug interdiction activities used to fund law enforcement activities. The budget is adopted on an annual basis.

Solicitor – This fund was established to account for funds provided by the State, grants for reducing domestic violence, grants for prosecuting DUI cases and fees charged to first time defendants under the Pretrial Intervention Program, who upon completion may have their records expunged. State appropriations are to be used for providing assistance to victims and witnesses of violent crimes and to supplement County appropriations for Solicitor activities. The budget is adopted on an annual basis.

Storm Water Drainage – This fund was established to account for the storm water fee the County began charging November 1, 2006. This fee funds the County's storm water management program which is required under federal regulations. The program regulates run off from all properties and activities that have the potential to pollute local water systems. The fee funds operations, maintenance and capital improvements. The budget is adopted on an annual basis.

Victim Notification – This fund was established to account for court assessments and conviction surcharges received pursuant to a change in state law which required counties to provide notification to victims of violent crime anytime there is a change in the status of the offender. The activity in this fund was previously recorded in the Safety Enforcement special revenue fund. The budget is adopted on an annual basis.

Workforce Investment Act – This fund is used to account for federal grants received through the Workforce Investment Act to help provide training and counseling services for displaced and disadvantaged workers. The budget is adopted on a project-length basis.

Charleston Development Corporation – This fund is used to account for the County's non-profit blended component unit. This entity was established in September 2004 to further human, social, and economic development in the County of Charleston. The Corporation exists solely for the benefit of the County. The budget is adopted on a project-length basis.

Nonmajor Capital Projects Funds

Capital Projects funds are used to account for the acquisition and construction of major capital outlays other than those financed by proprietary funds.

Construction - This fund was established in fiscal year 1986 by amendment to the budget ordinance to receive the proceeds of property sales and finance new construction with these funds. Per the County Budget Ordinance, all proceeds from the sale of real estate must be used for capital projects.

Equipment Replacement Fund - This fund was established in fiscal year 2005 to finance replacement of fleet and technology equipment. Funding comes from the sale of the County's general capital assets (excluding real estate) and from the general fund.

General Services Construction - This fund was established in fiscal year 1995 to control funds for multi-year facilities maintenance projects, such as building renovations, which have been approved by Council. Funding comes from the general fund.

ITS/Management Information Systems - This fund was established in fiscal year 1996 to control funds for multi-year data processing hardware and software acquisitions that have been approved by County Council. Funding comes from the general fund. This fund also was established to account for the replacement of computer hardware and software. Funding comes from various leases.

Public Works Construction - This fund was established in fiscal year 1995 to control drainage, bridge paving, road construction and fencing funds approved by Council that encompass multi-year projects. Funding comes from the general fund.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

<u>ASSETS</u>	<u>Special Revenue Funds</u>			
	<u>Accommo- dations</u>	<u>American Recovery & Reinvestment Act</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>
Non-pooled cash and cash equivalents	\$ 27,461	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	701,810	-	-	-
Restricted cash and cash equivalents	1,200,500	-	-	-
Receivables (net of allowances for uncollectibles)	<u>1,724,749</u>	<u>336,468</u>	<u>82,191</u>	<u>1,239,459</u>
Total assets	<u>\$ 3,654,520</u>	<u>\$ 336,468</u>	<u>\$ 82,191</u>	<u>\$ 1,239,459</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 889	\$ 80,494	\$ 12,168	\$ 102,337
Accrued payroll and fringe benefits	-	8,124	15,905	9,003
Due to other funds	-	154,810	45,169	417,702
Intergovernmental payable	3,579,359	93,040	-	125,956
Deferred revenue	-	-	-	62,271
Total liabilities	<u>3,580,248</u>	<u>336,468</u>	<u>73,242</u>	<u>717,269</u>
Fund balances:				
Reserved for encumbrances	-	-	8,949	522,190
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	<u>74,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>74,272</u>	<u>-</u>	<u>8,949</u>	<u>522,190</u>
Total liabilities and fund balances	<u>\$ 3,654,520</u>	<u>\$ 336,468</u>	<u>\$ 82,191</u>	<u>\$ 1,239,459</u>

See notes to financial statements.

Special Revenue Funds

Construction Public Works	Economic Development	Education	Emergency Medical Services	Fire Districts	Grants Contributions
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,274,050	725,684	-	-	1,265,869	2,658
-	-	-	-	-	-
899,208	-	5,496,609	5,724	1,613,105	-
<u>\$ 13,173,258</u>	<u>\$ 725,684</u>	<u>\$ 5,496,609</u>	<u>\$ 5,724</u>	<u>\$ 2,878,974</u>	<u>\$ 2,658</u>
\$ 346,134	\$ 3,710	\$ -	\$ 133	\$ 18,227	\$ -
-	7,073	-	-	38,964	-
-	-	119,183	5,591	-	-
1,136	-	-	-	17,563	-
-	-	5,377,426	-	1,502,712	-
347,270	10,783	5,496,609	5,724	1,577,466	-
12,825,988	-	-	-	41,484	-
-	-	-	-	-	-
-	714,901	-	-	1,260,024	2,658
12,825,988	714,901	-	-	1,301,508	2,658
<u>\$ 13,173,258</u>	<u>\$ 725,684</u>	<u>\$ 5,496,609</u>	<u>\$ 5,724</u>	<u>\$ 2,878,974</u>	<u>\$ 2,658</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

<u>ASSETS</u>	<u>Special Revenue Funds</u>			
	<u>Hazardous Materials Enforcement</u>	<u>Public Defender</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 29,753	\$ 50,871
Pooled cash and cash equivalents	205,469	983,572	275,692	1,376,001
Restricted cash and cash equivalents	-	-	-	-
Receivables (net of allowances for uncollectibles)	-	15,411	472,731	21,775
Total assets	\$ 205,469	\$ 998,983	\$ 778,176	\$ 1,448,647
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 402	\$ 26,373	\$ 5,531	\$ 57,060
Accrued payroll and fringe benefits	3,696	122,342	17,228	6,467
Due to other funds	-	-	-	-
Intergovernmental payable	-	8	-	4,243
Deferred revenue	-	-	30,765	-
Total liabilities	4,098	148,723	53,524	67,770
Fund balances:				
Reserved for encumbrances	-	325	22,322	39,967
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	201,371	849,935	702,330	1,340,910
Total fund balances	201,371	850,260	724,652	1,380,877
Total liabilities and fund balances	\$ 205,469	\$ 998,983	\$ 778,176	\$ 1,448,647

See notes to financial statements.

Special Revenue Funds					Capital Projects Funds
Solicitor	Storm Water Drainage	Victim Notification	Workforce Investment Act	Charleston Development Corp	Construction
\$ 2,091,374	\$ -	\$ 31,783	\$ -	\$ -	\$ -
-	1,313,085	170,942	33,730	30,963	2,395,258
-	-	-	-	-	-
244,123	781,595	-	1,518,606	3,000	-
<u>\$ 2,335,497</u>	<u>\$ 2,094,680</u>	<u>\$ 202,725</u>	<u>\$ 1,552,336</u>	<u>\$ 33,963</u>	<u>\$ 2,395,258</u>
\$ 57,780	\$ 17,645	\$ -	\$ 522,532	\$ -	\$ 56,099
59,951	23,414	15,140	53,352	-	-
87,671	-	-	907,413	-	-
719	-	-	24,000	-	-
-	-	-	11,443	-	-
206,121	41,059	15,140	1,518,740	-	56,099
54,324	141,989	1,270	-	-	-
-	-	-	-	-	2,339,159
2,075,052	1,911,632	186,315	33,596	33,963	-
2,129,376	2,053,621	187,585	33,596	33,963	2,339,159
<u>\$ 2,335,497</u>	<u>\$ 2,094,680</u>	<u>\$ 202,725</u>	<u>\$ 1,552,336</u>	<u>\$ 33,963</u>	<u>\$ 2,395,258</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

Capital Projects Funds					
<u>ASSETS</u>	Equipment Replacement Fund	General Services Construction	ITS / MIS	Public Works Construction	Total Nonmajor Governmental Funds
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,231,242
Pooled cash and cash equivalents	2,306,054	136,255	4,385,413	186,754	28,769,259
Restricted cash and cash equivalents	-	-	-	-	1,200,500
Receivables (net of allowances for uncollectibles)	-	-	-	-	14,454,754
Total assets	\$ 2,306,054	\$ 136,255	\$ 4,385,413	\$ 186,754	\$ 46,655,755
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 1,588	\$ -	\$ 109,019	\$ 561	\$ 1,418,682
Accrued payroll and fringe benefits	-	-	-	-	380,659
Due to other funds	-	-	-	-	1,737,539
Intergovernmental payable	1,056	-	8,274	-	3,855,354
Deferred revenue	-	-	-	-	6,984,617
Total liabilities	2,644	-	117,293	561	14,376,851
Fund balances:					
Reserved for encumbrances	-	-	-	-	13,658,808
Reserved for capital projects	2,303,410	136,255	4,268,120	186,193	9,233,137
Unreserved:					
Designated for subsequent years' appropriation	-	-	-	-	9,386,959
Total fund balances	2,303,410	136,255	4,268,120	186,193	32,278,904
Total liabilities and fund balances	\$ 2,306,054	\$ 136,255	\$ 4,385,413	\$ 186,754	\$ 46,655,755

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Special Revenue Funds			
	Accommo- dations	American Recovery & Reinvestment Act	Child Support Enforcement	Community Development
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,888	342,609	867,344	2,694,511
Permits and licenses	-	-	-	-
Fines and forfeitures	-	-	-	-
Service charges	8,864,365	-	-	-
Interest	47,351	-	-	-
Rental and use of property	-	-	-	-
Other revenues	-	-	1,550	15,787
Total revenues	8,956,604	342,609	868,894	2,710,298
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	75,179	-
Judicial	-	-	639,129	-
Public works	-	-	-	-
Health and welfare	-	342,609	-	2,730,153
Economic development	-	-	-	-
Culture and recreation	5,832,219	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	5,832,219	342,609	714,308	2,730,153
Excess (deficiency) of revenues over (under) expenditures	3,124,385	-	154,586	(19,855)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	200,000	-	-	62,500
Transfers out	(4,375,994)	-	(147,432)	(155,629)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(4,175,994)	-	(147,432)	(93,129)
Net change in fund balance	(1,051,609)	-	7,154	(112,984)
Fund balances at beginning of year (as restated)	1,125,881	-	1,795	635,174
Fund balances at end of year	\$ 74,272	\$ -	\$ 8,949	\$ 522,190

See notes to financial statements.

Special Revenue Funds

Construction Public Works	Economic Development	Education	Emergency Medical Services	Fire Districts	Grants Contributions
\$ -	\$ 822,043	\$ 5,494,752	\$ -	\$ 1,589,558	\$ -
4,953,445	96,467	157,169	54,979	565,077	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
140,157	-	-	-	-	-
-	-	-	-	-	-
-	-	-	958	5,000	6,786
5,093,602	918,510	5,651,921	55,937	2,159,635	6,786
-	-	-	-	-	-
-	-	-	58,178	1,916,413	-
-	-	-	-	-	-
3,490,021	-	-	-	-	-
-	-	-	-	-	7,145
-	858,031	-	-	-	-
-	-	-	-	-	-
-	-	5,651,921	-	-	-
-	-	-	-	-	-
-	-	-	-	144,656	-
3,490,021	858,031	5,651,921	58,178	2,061,069	7,145
1,603,581	60,479	-	(2,241)	98,566	(359)
-	-	-	-	-	-
6,382,927	19,496	-	2,241	-	-
(6,382,927)	(19,496)	-	-	-	-
-	-	-	-	4,685	-
-	-	-	2,241	4,685	-
1,603,581	60,479	-	-	103,251	(359)
11,222,407	654,422	-	-	1,198,257	3,017
\$ 12,825,988	\$ 714,901	\$ -	\$ -	\$ 1,301,508	\$ 2,658

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Hazardous Materials Enforcement	Public Defender	Safety Enforcement	Sheriff
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,643,747	1,390,238	107,168
Permits and licenses	-	-	2,575	-
Fines and forfeitures	12,098	-	82,700	327,924
Service charges	164,975	201,875	-	-
Interest	-	7,898	1,363	5,252
Rental and use of property	-	-	-	-
Other revenues	-	717,665	56,497	402,440
Total revenues	177,073	2,571,185	1,533,373	842,784
Expenditures:				
Current:				
General government	-	-	10,000	-
Public safety	188,499	-	1,189,640	626,835
Judicial	-	4,418,719	191,163	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	188,499	4,418,719	1,390,803	626,835
Excess (deficiency) of revenues over (under) expenditures	(11,426)	(1,847,534)	142,570	215,949
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	-	2,697,794	69,838	75,096
Transfers out	-	-	(13,785)	(25,000)
Proceeds from sale of capital assets	-	-	-	156,214
Total other financing sources (uses)	-	2,697,794	56,053	206,310
Net change in fund balance	(11,426)	850,260	198,623	422,259
Fund balances at beginning of year (as restated)	212,797	-	526,029	958,618
Fund balances at end of year	\$ 201,371	\$ 850,260	\$ 724,652	\$ 1,380,877

See notes to financial statements.

Special Revenue Funds

Solicitor	Storm Water Drainage	Victim Notification	Workforce Investment Act	Charleston Development Corp
\$ -	\$ -	\$ -	\$ -	\$ -
1,047,459	564,534	3,183	5,797,261	-
-	-	-	-	-
37,148	-	467,245	-	-
874,572	1,172,085	-	47,780	-
10,699	-	-	-	418
-	-	-	52,034	-
-	-	-	21,278	3,266
1,969,878	1,736,619	470,428	5,918,353	3,684
-	-	-	-	-
-	-	351,009	-	-
2,027,602	-	326,463	-	-
-	976,696	-	-	-
-	-	-	5,905,497	4,234
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,027,602	976,696	677,472	5,905,497	4,234
(57,724)	759,923	(207,044)	12,856	(550)
-	-	-	-	-
417,378	-	-	-	-
(413,536)	-	-	-	-
-	-	-	-	-
3,842	-	-	-	-
(53,882)	759,923	(207,044)	12,856	(550)
2,183,258	1,293,698	394,629	20,740	34,513
\$ 2,129,376	\$ 2,053,621	\$ 187,585	\$ 33,596	\$ 33,963

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	General Services Construction	ITS / MIS	Public Works Construction	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,906,353
Intergovernmental	-	-	-	-	-	20,330,079
Permits and licenses	-	-	-	-	-	2,575
Fines and forfeitures	-	-	-	-	-	927,115
Service charges	-	-	-	-	-	11,325,652
Interest	49,363	35,482	-	63,569	12,160	373,712
Rental and use of property	-	-	-	-	-	52,034
Other revenues	429,090	310	-	-	-	1,660,627
Total revenues	478,453	35,792	-	63,569	12,160	42,578,147
Expenditures:						
Current:						
General government	-	-	-	-	-	10,000
Public safety	-	-	-	-	-	4,405,753
Judicial	-	-	-	-	-	7,603,076
Public works	-	-	-	-	-	4,466,717
Health and welfare	-	-	-	-	-	8,989,638
Economic development	-	-	-	-	-	858,031
Culture and recreation	-	-	-	-	-	5,832,219
Education	-	-	-	-	-	5,651,921
Capital outlay	2,359,063	-	791	2,381,263	67,243	4,808,360
Debt service	-	-	-	-	-	144,656
Total expenditures	2,359,063	-	791	2,381,263	67,243	42,770,371
Excess (deficiency) of revenues over (under) expenditures	(1,880,610)	35,792	(791)	(2,317,694)	(55,083)	(192,224)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	775,100	-	775,100
Transfers in	10,000	603,125	-	500,227	-	11,040,622
Transfers out	(200,000)	(1,113,357)	-	(167,505)	(788,000)	(13,802,661)
Proceeds from sale of capital assets	(4,146)	61,472	-	-	-	218,225
Total other financing sources (uses)	(194,146)	(448,760)	-	1,107,822	(788,000)	(1,768,714)
Net change in fund balance	(2,074,756)	(412,968)	(791)	(1,209,872)	(843,083)	(1,960,938)
Fund balances at beginning of year (as restated)	4,413,915	2,716,378	137,046	5,477,992	1,029,276	34,239,842
Fund balances at end of year	\$ 2,339,159	\$ 2,303,410	\$ 136,255	\$ 4,268,120	\$ 186,193	\$ 32,278,904

See notes to financial statements.

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**CHARLESTON COUNTY, SOUTH CAROLINA
INDIVIDUAL FUND SCHEDULES OF REVENUES
EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET
(GAAP BASIS) AND ACTUAL**



**COUNTY OF CHARLESTON, SOUTH CAROLINA
ACCOMMODATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 45,666	\$ 45,666	\$ 44,888	\$ (778)
Service charges	10,800,000	10,800,000	8,864,365	(1,935,635)
Interest	50,000	50,000	47,351	(2,649)
Total revenues	<u>10,895,666</u>	<u>10,895,666</u>	<u>8,956,604</u>	<u>(1,939,062)</u>
Expenditures:				
Current:				
Culture and recreation	<u>6,655,174</u>	<u>6,745,274</u>	<u>5,832,219</u>	<u>913,055</u>
Total expenditures	<u>6,655,174</u>	<u>6,745,274</u>	<u>5,832,219</u>	<u>913,055</u>
Excess of revenues over expenditures	<u>4,240,492</u>	<u>4,150,392</u>	<u>3,124,385</u>	<u>(1,026,007)</u>
Other financing sources (uses):				
Transfers in	-	200,000	200,000	-
Transfers out	<u>(4,376,033)</u>	<u>(4,376,033)</u>	<u>(4,375,994)</u>	<u>39</u>
Total other financing sources (uses)	<u>(4,376,033)</u>	<u>(4,176,033)</u>	<u>(4,175,994)</u>	<u>39</u>
Net change in fund balance	<u>(135,541)</u>	<u>(25,641)</u>	<u>(1,051,609)</u>	<u>(1,025,968)</u>
Fund balance at beginning of year	<u>1,125,881</u>	<u>1,125,881</u>	<u>1,125,881</u>	<u>-</u>
Fund balance at end of year	<u>\$ 990,340</u>	<u>\$ 1,100,240</u>	<u>\$ 74,272</u>	<u>\$ (1,025,968)</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
CHILD SUPPORT ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 801,000	\$ 801,000	\$ 867,344	\$ 66,344
Other revenues	-	-	1,550	1,550
Total revenues	801,000	801,000	868,894	67,894
Expenditures:				
Current:				
Public safety	77,000	77,000	75,179	1,821
Judicial	674,000	682,796	639,129	43,667
Total expenditures	751,000	759,796	714,308	45,488
Excess of revenues over expenditures	50,000	41,204	154,586	113,382
Other financing uses:				
Transfers out	(50,000)	(43,000)	(147,432)	(104,432)
Net change in fund balance	-	(1,796)	7,154	8,950
Fund balance at beginning of year	1,795	1,795	1,795	-
Fund balance at end of year	\$ 1,795	\$ (1)	\$ 8,949	\$ 8,950

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 699,000	\$ 699,000	\$ 822,043	\$ 123,043
Intergovernmental	-	96,467	96,467	-
Other revenues	-	1,460	-	(1,460)
Total revenues	<u>699,000</u>	<u>796,927</u>	<u>918,510</u>	<u>121,583</u>
Expenditures:				
Current:				
Economic development	783,170	881,897	858,031	23,866
Total expenditures	<u>783,170</u>	<u>881,897</u>	<u>858,031</u>	<u>23,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,170)</u>	<u>(84,970)</u>	<u>60,479</u>	<u>145,449</u>
Other financing sources (uses):				
Transfers in	-	20,000	19,496	(504)
Transfers out	-	(20,000)	(19,496)	504
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(84,170)</u>	<u>(84,970)</u>	<u>60,479</u>	<u>145,449</u>
Fund balance at beginning of year	<u>654,422</u>	<u>654,422</u>	<u>654,422</u>	<u>-</u>
Fund balance at end of year	<u>\$ 570,252</u>	<u>\$ 569,452</u>	<u>\$ 714,901</u>	<u>\$ 145,449</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 5,336,575	\$ 5,628,522	\$ 5,494,752	\$ (133,770)
Intergovernmental	-	83,510	157,169	73,659
Total revenues	<u>5,336,575</u>	<u>5,712,032</u>	<u>5,651,921</u>	<u>(60,111)</u>
Expenditures:				
Current:				
Education	<u>5,336,575</u>	<u>5,712,032</u>	<u>5,651,921</u>	<u>60,111</u>
Total expenditures	<u>5,336,575</u>	<u>5,712,032</u>	<u>5,651,921</u>	<u>60,111</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FIRE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,669,246	\$ 1,686,416	\$ 1,589,558	\$ (96,858)
Intergovernmental	524,770	527,877	565,077	37,200
Other revenues	-	5,000	5,000	-
Total revenues	<u>2,194,016</u>	<u>2,219,293</u>	<u>2,159,635</u>	<u>(59,658)</u>
Expenditures:				
Current:				
Public safety	2,085,896	2,121,780	1,916,413	205,367
Debt service	144,657	144,657	144,656	1
Total expenditures	<u>2,230,553</u>	<u>2,266,437</u>	<u>2,061,069</u>	<u>205,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,537)</u>	<u>(47,144)</u>	<u>98,566</u>	<u>145,710</u>
Other financing sources:				
Proceeds from sale of capital assets	-	-	4,685	4,685
Net change in fund balance	<u>(36,537)</u>	<u>(47,144)</u>	<u>103,251</u>	<u>150,395</u>
Fund balance at beginning of year	<u>1,198,257</u>	<u>1,198,257</u>	<u>1,198,257</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,161,720</u>	<u>\$ 1,151,113</u>	<u>\$ 1,301,508</u>	<u>\$ 150,395</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
HAZARDOUS MATERIALS ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 12,098	\$ 2,098
Service charges	150,000	150,000	164,975	14,975
Total revenues	160,000	160,000	177,073	17,073
Expenditures:				
Current:				
Public safety	406,744	255,378	188,499	66,879
Total expenditures	406,744	255,378	188,499	66,879
Deficiency of revenues under expenditures	(246,744)	(95,378)	(11,426)	83,952
Other financing sources:				
Transfers in	167,905	-	-	-
Net change in fund balance	(78,839)	(95,378)	(11,426)	83,952
Fund balance at beginning of year	212,797	212,797	212,797	-
Fund balance at end of year	<u>\$ 133,958</u>	<u>\$ 117,419</u>	<u>\$ 201,371</u>	<u>\$ 83,952</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
PUBLIC DEFENDER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,044,198	\$ 1,393,109	\$ 1,643,747	\$ 250,638
Service charges	677,903	200,500	201,875	1,375
Interest	-	-	7,898	7,898
Other revenues	50,000	202,556	717,665	515,109
Total revenues	<u>1,772,101</u>	<u>1,796,165</u>	<u>2,571,185</u>	<u>775,020</u>
Expenditures:				
Current:				
Judicial	4,524,952	4,493,959	4,418,719	75,240
Total expenditures	<u>4,524,952</u>	<u>4,493,959</u>	<u>4,418,719</u>	<u>75,240</u>
Deficiency of revenues under expenditures	<u>(2,752,851)</u>	<u>(2,697,794)</u>	<u>(1,847,534)</u>	<u>850,260</u>
Other financing sources:				
Transfers in	2,752,851	2,697,794	2,697,794	-
Net change in fund balance	<u>-</u>	<u>-</u>	<u>850,260</u>	<u>850,260</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,260</u>	<u>\$ 850,260</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 107,168	\$ 3,668
Fines and forfeitures	171,000	97,354	327,924	230,570
Interest	-	-	5,252	5,252
Other revenues	367,500	367,500	402,440	34,940
Total revenues	642,000	568,354	842,784	274,430
Expenditures:				
Current:				
Public safety	663,736	1,004,417	626,835	377,582
Total expenditures	663,736	1,004,417	626,835	377,582
Excess (deficiency) of revenues (under) expenditures	(21,736)	(436,063)	215,949	652,012
Other financing sources (uses):				
Transfers in	67,789	75,096	75,096	-
Transfers out	-	(25,000)	(25,000)	-
Proceeds from sale of capital assets	-	72,605	156,214	83,609
Total other financing sources	67,789	122,701	206,310	83,609
Net change in fund balance	46,053	(313,362)	422,259	735,621
Fund balance at beginning of year	958,618	958,618	958,618	-
Fund balance at end of year	\$ 1,004,671	\$ 645,256	\$ 1,380,877	\$ 735,621

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SOLICITOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,247,462	\$ 1,271,262	\$ 1,047,459	\$ (223,803)
Fines and forfeitures	40,000	40,000	37,148	(2,852)
Service charges	614,625	614,625	874,572	259,947
Interest	2,000	2,000	10,699	8,699
Total revenues	1,904,087	1,927,887	1,969,878	41,991
Expenditures:				
Current:				
Judicial	1,875,527	1,990,761	2,027,602	(36,841)
Total expenditures	1,875,527	1,990,761	2,027,602	(36,841)
Excess (deficiency) of revenues over (under) expenditures	28,560	(62,874)	(57,724)	5,150
Other financing sources (uses):				
Transfers in	48,061	439,421	417,378	(22,043)
Transfers out	(173,226)	(477,079)	(413,536)	63,543
Total other financing sources (uses)	(125,165)	(37,658)	3,842	41,500
Net change in fund balance	(96,605)	(100,532)	(53,882)	46,650
Fund balance at beginning of year (as restated)	2,183,258	2,183,258	2,183,258	-
Fund balance at end of year	\$ 2,086,653	\$ 2,082,726	\$ 2,129,376	\$ 46,650

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
STORM WATER DRAINAGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 564,534	\$ 239,534
Service charges	1,227,500	1,227,500	1,172,085	(55,415)
Total revenues	<u>1,552,500</u>	<u>1,552,500</u>	<u>1,736,619</u>	<u>184,119</u>
Expenditures:				
Current:				
Public works	1,552,500	1,770,969	976,696	794,273
Total expenditures	<u>1,552,500</u>	<u>1,770,969</u>	<u>976,696</u>	<u>794,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(218,469)</u>	<u>759,923</u>	<u>978,392</u>
Net change in fund balance	<u>-</u>	<u>(218,469)</u>	<u>759,923</u>	<u>978,392</u>
Fund balance at beginning of year	<u>1,293,698</u>	<u>1,293,698</u>	<u>1,293,698</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,293,698</u>	<u>\$ 1,075,229</u>	<u>\$ 2,053,621</u>	<u>\$ 978,392</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,183	\$ 183
Fines and forfeitures	535,000	535,000	467,245	(67,755)
Total revenues	538,000	538,000	470,428	(67,572)
Expenditures:				
Current:				
Public safety	412,070	412,070	351,009	61,061
Judicial	364,448	364,448	326,463	37,985
Total expenditures	776,518	776,518	677,472	99,046
Deficiency of revenues under expenditures	(238,518)	(238,518)	(207,044)	31,474
Net change in fund balance	(238,518)	(238,518)	(207,044)	31,474
Fund balance at beginning of year	394,629	394,629	394,629	-
Fund balance at end of year	\$ 156,111	\$ 156,111	\$ 187,585	\$ 31,474

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
June 30, 2009

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,645,105	\$ -	\$ 1,645,105	\$ 1,645,105	\$ -	\$ 1,645,105
Wildlife/littering	195,917	56,979	138,938	138,938	-	138,938
DUI/DUS/BUI	63,218	63,218	-	-	-	-
Assessments	1,859,448	1,697,755	161,693	-	161,693	161,693
Surcharges	769,278	659,452	109,826	-	109,826	109,826
	<u>4,532,966</u>	<u>2,477,404</u>	<u>2,055,562</u>	<u>1,784,043</u>	<u>271,519</u>	<u>2,055,562</u>
Clerk of Court:						
Fines:						
General sessions	103,128	46,694	56,434	56,434	-	56,434
Family court	600	264	336	336	-	336
DUI/DUS/BUI	5,121	5,121	-	-	-	-
Assessments	101,563	65,705	35,858	-	35,858	35,858
Surcharges	269,890	110,022	159,868	-	159,868	159,868
	<u>480,302</u>	<u>227,806</u>	<u>252,496</u>	<u>56,770</u>	<u>195,726</u>	<u>252,496</u>
	<u>\$ 5,013,268</u>	<u>\$ 2,705,210</u>	<u>\$ 2,308,058</u>	<u>\$ 1,840,813</u>	<u>\$ 467,245</u>	<u>\$ 2,308,058</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business.

DAODAS - This fund records the activity of programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS). These programs reduce the negative impact of alcohol and other drugs on constituents by planning and implementing comprehensive and effective programs of professional services. State and federal funding, Medicaid, client fees, and other funding sources support these programs.

E-911 Communications - This fund is used to account for the operations of the County's Emergency 911 communication system. This service is funded through a county-wide service charge on all telephone service and is collected by local utilities for the County.

Radio Communications - This fund is used to account for the comprehensive communications support to Charleston County agencies and neighboring external public safety agencies, including management of the 800 MHz public safety radio system, operation of the communications electronic maintenance facility, and management of the command post's emergency equipment and vehicles for response to emergencies and natural disasters.

Revenue Collections - This fund is used to account for the administration on a fee basis of the collection of accommodations, business licenses, hazardous material fees, storm water fees and the solid waste user fee for the County and Municipalities.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2009

<u>ASSETS</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Current assets:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 235,532	\$ 236,232
Pooled cash and cash equivalents	3,493,181	4,107,357	495,370	1,316,423	9,412,331
Receivables (net of allowances for uncollectibles)	1,257,466	202,154	10,668	14,415	1,484,703
Total current assets	4,751,347	4,309,511	506,038	1,566,370	11,133,266
Deferred issuance costs	58,194	-	-	-	58,194
Capital assets:					
Buildings	9,554,391	-	-	-	9,554,391
Improvements other than buildings	270,255	-	-	-	270,255
Machinery and equipment	244,612	1,660,500	67,531	-	1,972,643
Less accumulated depreciation	(2,743,261)	(770,638)	(41,269)	-	(3,555,168)
Total capital assets (net of accumulated depreciation)	7,325,997	889,862	26,262	-	8,242,121
Total noncurrent assets	7,384,191	889,862	26,262	-	8,300,315
Total assets	12,135,538	5,199,373	532,300	1,566,370	19,433,581

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2009

<u>LIABILITIES AND EQUITY</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Current liabilities:					
Accounts payable	\$ 106,096	\$ 822	\$ 18,909	\$ 4,994	\$ 130,821
Accrued payroll and fringe benefits	197,743	3,624	5,046	43,296	249,709
Compensated absences-current	30,507	-	3,799	-	34,306
Intergovernmental payable	1,268	-	234	1,241,344	1,242,846
Accrued interest payable	16,837	-	-	-	16,837
Certificates of participation - current	420,896	-	-	-	420,896
Total current liabilities	773,347	4,446	27,988	1,289,634	2,095,415
Noncurrent liabilities:					
Certificates of participation (net of unamortized discounts)	3,257,716	-	-	-	3,257,716
Compensated absences	448,368	6,291	5,652	137,456	597,767
Total noncurrent liabilities	3,706,084	6,291	5,652	137,456	3,855,483
Total liabilities	4,479,431	10,737	33,640	1,427,090	5,950,898
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	3,647,385	889,862	26,262	-	4,563,509
Unrestricted	4,008,722	4,298,774	472,398	139,280	8,919,174
Total net assets	\$ 7,656,107	\$ 5,188,636	\$ 498,660	\$ 139,280	\$ 13,482,683

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2009

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Operating revenues:					
Charges for services	\$ 6,863,921	\$ 1,429,854	\$ 1,024,545	\$ 1,754,124	\$ 11,072,444
Other revenues	3,625	-	-	-	3,625
Total operating revenues	6,867,546	1,429,854	1,024,545	1,754,124	11,076,069
Operating expenses:					
Personnel services	6,601,555	120,795	217,637	1,443,153	8,383,140
Contractual services	366,245	-	241,878	106,866	714,989
Materials and supplies	534,818	5,247	244,176	8,316	792,557
Utilities	211,795	676,565	-	-	888,360
Repairs and maintenance	206,197	78,382	1,019,217	1,613	1,305,409
Rental expenses	124,659	-	110,417	-	235,076
Vehicle fleet charges	26,091	-	5,058	8,866	40,015
Other expenses	1,801,036	138,438	1,093,375	452,514	3,485,363
Depreciation and amortization	266,702	183,226	22,510	-	472,438
Total operating expenses	10,139,098	1,202,653	2,954,268	2,021,328	16,317,347
Operating income (loss)	(3,271,552)	227,201	(1,929,723)	(267,204)	(5,241,278)
Nonoperating revenues (expenses):					
Interest income	42,328	45,034	-	36,867	124,229
Interest expense	(287,898)	-	(1,777)	-	(289,675)
Intergovernmental revenues	751,627	-	74,710	-	826,337
Gain (loss) on disposal of capital assets	4,671	-	-	-	4,671
Total nonoperating revenues (expenses)	510,728	45,034	72,933	36,867	665,562
Income (loss) before transfers	(2,760,824)	272,235	(1,856,790)	(230,337)	(4,575,716)
Transfers out	-	(1,683)	-	(89,949)	(91,632)
Transfers in	2,659,287	-	1,889,571	-	4,548,858
Change in net assets	(101,537)	270,552	32,781	(320,286)	(118,490)
Total net assets - beginning (as restated)	7,757,644	4,918,084	465,879	459,566	13,601,173
Total net assets - ending	\$ 7,656,107	\$ 5,188,636	\$ 498,660	\$ 139,280	\$ 13,482,683

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2009

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 7,017,565	\$ 1,484,733	\$ 1,042,139	\$ 1,758,862	\$ 11,303,299
Cash payments to suppliers for goods and services	(3,290,099)	(1,013,459)	(2,750,122)	(1,092,409)	(8,146,089)
Cash payments to employees for services	(6,556,017)	(117,688)	(216,942)	(1,404,146)	(8,294,793)
Net cash provided by (used in) operating activities	(2,828,551)	353,586	(1,924,925)	(737,693)	(5,137,583)
Cash flows from noncapital financing activities:					
Transfers in	2,659,287	-	1,889,571	-	4,548,858
Transfers (out)	-	(1,683)	-	(89,949)	(91,632)
Intergovernmental receipt	639,065	-	64,360	-	703,425
Net cash provided by (used in) noncapital financing activities	3,298,352	(1,683)	1,953,931	(89,949)	5,160,651
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(461,427)	-	-	-	(461,427)
Interest paid	(219,893)	-	-	-	(219,893)
Proceeds from sale of capital assets	4,671	-	-	-	4,671
Net cash used in capital and related financing activities	(676,649)	-	-	-	(676,649)
Cash flows from investing activities:					
Interest received (paid)	42,328	45,034	(1,777)	36,867	122,452
Net cash provided by (used in) investing activities	42,328	45,034	(1,777)	36,867	122,452
Net increase (decrease) in cash and cash equivalents	(164,520)	396,937	27,229	(790,775)	(531,129)
Cash and cash equivalents at beginning of year	3,658,401	3,710,420	468,141	2,342,730	10,179,692
Cash and cash equivalents at end of year	\$ 3,493,881	\$ 4,107,357	\$ 495,370	\$ 1,551,955	\$ 9,648,563
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 235,532	\$ 236,232
Pooled cash and cash equivalents	3,493,181	4,107,357	495,370	1,316,423	9,412,331
Cash and cash equivalents at end of year	\$ 3,493,881	\$ 4,107,357	\$ 495,370	\$ 1,551,955	\$ 9,648,563

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2009

	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ (3,271,552)</u>	<u>\$ 227,201</u>	<u>\$ (1,929,723)</u>	<u>\$ (267,204)</u>	<u>\$ (5,241,278)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	266,702	183,226	22,510	-	472,438
Changes in assets and liabilities:					
Decrease (increase) in receivables	150,019	54,877	17,593	4,738	227,227
Increase (decrease) in accounts payable	(19,258)	(114,825)	(36,000)	(514,234)	(684,317)
Increase in accrued payroll	45,538	3,107	695	39,007	88,347
Total adjustments	<u>443,001</u>	<u>126,385</u>	<u>4,798</u>	<u>(470,489)</u>	<u>103,695</u>
Net cash provided by (used in) operating activities	<u><u>\$ (2,828,551)</u></u>	<u><u>\$ 353,586</u></u>	<u><u>\$ (1,924,925)</u></u>	<u><u>\$ (737,693)</u></u>	<u><u>\$ (5,137,583)</u></u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government, on a cost reimbursement basis.

Fleet Management - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operations; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

Office Support Services - This fund is used to account for the mail pick-up and delivery service, duplicating machines, postage metering service and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records and a centralized microfilming operation.

Workers' Compensation - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

Employee Benefits - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls, payments from retirees equaling 50 percent of coverage costs, payments from employees of 30 percent of dependent coverage and from investments. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Assistant Administrator for Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

Telecommunications - This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2009

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,983,832	\$ 385,487	\$ 5,915,755	\$ 8,550,422	\$ 279,639	\$ 17,115,135
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	44,954	-	99	5,646	2,589	53,288
Due from other funds	-	-	103,942	480,940	-	584,882
Inventories	313,558	-	-	-	-	313,558
Total current assets	2,342,344	385,487	6,144,796	9,037,008	282,228	18,191,863
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	23,998,666	1,505,601	135,564	-	424,774	26,064,605
Less accumulated depreciation	(15,995,840)	(611,229)	(64,467)	-	(341,351)	(17,012,887)
Total capital assets (net of accumulated depreciation)	9,553,329	1,039,552	71,097	-	83,423	10,747,401
Total assets	11,895,673	1,425,039	6,215,893	9,037,008	365,651	28,939,264
LIABILITIES						
Current liabilities:						
Accounts payable	297,037	106,416	2,785,283	65	128,674	3,317,475
Accrued payroll and fringe benefits	56,745	23,849	13,759	-	8,701	103,054
Compensated absences-current	20,140	4,799	-	-	-	24,939
Intergovernmental payable	1,178	210	319,965	-	-	321,353
OPEB liability	-	-	-	8,286,334	-	8,286,334
Accrued interest payable	10,355	-	-	-	-	10,355
Note payable - current	60,193	-	-	-	-	60,193
Lease payable - current	-	197,137	-	-	-	197,137
Total current liabilities	445,648	332,411	3,119,007	8,286,399	137,375	12,320,840
Noncurrent liabilities:						
Compensated absences	224,451	52,958	36,369	-	3,550	317,328
Lease payable	-	683,923	-	-	-	683,923
Note payable	280,306	-	-	-	-	280,306
Total noncurrent liabilities	504,757	736,881	36,369	-	3,550	1,281,557
Total liabilities	950,405	1,069,292	3,155,376	8,286,399	140,925	13,602,397
NET ASSETS						
Invested in capital assets, net of related debt	9,212,830	158,492	71,097	-	83,423	9,525,842
Unrestricted	1,732,438	197,255	2,989,420	750,609	141,303	5,811,025
Total net assets	\$ 10,945,268	\$ 355,747	\$ 3,060,517	\$ 750,609	\$ 224,726	\$ 15,336,867

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2009

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Operating revenues:						
Charges for services	\$ 9,286,416	\$ 1,540,955	\$ 3,921,557	\$ 22,988,837	\$ 1,566,819	\$ 39,304,584
Total operating revenues	<u>9,286,416</u>	<u>1,540,955</u>	<u>3,921,557</u>	<u>22,988,837</u>	<u>1,566,819</u>	<u>39,304,584</u>
Operating expenses:						
Personnel services	1,916,884	795,988	442,454	-	280,422	3,435,748
Contractual services	3,158	2,752	3,605,471	-	225	3,611,606
Materials and supplies	6,096,105	458,706	130,679	-	8,367	6,693,857
Utilities	114,250	22,516	-	-	1,205,445	1,342,211
Repairs and maintenance	18,015	29,314	38,458	-	8,869	94,656
Rental expenses	-	183,957	-	-	-	183,957
Vehicle fleet charges	80,714	15,068	11,211	-	4,366	111,359
Employee benefits	-	-	-	23,525,085	-	23,525,085
Other expenses	869,973	28,651	24,969	-	12,277	935,870
Depreciation	2,597,605	257,170	28,525	-	53,677	2,936,977
Total operating expenses	<u>11,696,704</u>	<u>1,794,122</u>	<u>4,281,767</u>	<u>23,525,085</u>	<u>1,573,648</u>	<u>42,871,326</u>
Operating income (loss)	<u>(2,410,288)</u>	<u>(253,167)</u>	<u>(360,210)</u>	<u>(536,248)</u>	<u>(6,829)</u>	<u>(3,566,742)</u>
Nonoperating revenues (expenses):						
Interest income	-	-	67,701	76,731	-	144,432
Interest expense	(21,582)	(7,181)	-	-	-	(28,763)
Gain (loss) on disposal of capital assets	(62,881)	550	-	-	-	(62,331)
Total nonoperating revenues (expenses)	<u>(84,463)</u>	<u>(6,631)</u>	<u>67,701</u>	<u>76,731</u>	<u>-</u>	<u>53,338</u>
Income (loss) before transfers	<u>(2,494,751)</u>	<u>(259,798)</u>	<u>(292,509)</u>	<u>(459,517)</u>	<u>(6,829)</u>	<u>(3,513,404)</u>
Transfers out	(802,485)	-	(4,977)	(828,567)	-	(1,636,029)
Transfers in	2,521,194	210,996	-	-	-	2,732,190
Change in net assets	<u>(776,042)</u>	<u>(48,802)</u>	<u>(297,486)</u>	<u>(1,288,084)</u>	<u>(6,829)</u>	<u>(2,417,243)</u>
Total net assets - beginning	<u>11,721,310</u>	<u>404,549</u>	<u>3,358,003</u>	<u>2,038,693</u>	<u>231,555</u>	<u>17,754,110</u>
Total net assets - ending	<u>\$ 10,945,268</u>	<u>\$ 355,747</u>	<u>\$ 3,060,517</u>	<u>\$ 750,609</u>	<u>\$ 224,726</u>	<u>\$ 15,336,867</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2009

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 223,996	\$ -	\$ -	\$ -	\$ 37,358	\$ 261,354
Cash receipts from interfund services provided	9,053,027	1,541,129	3,952,740	22,882,092	1,541,653	38,970,641
Cash payments to suppliers for goods and services	(7,389,205)	(726,881)	(3,437,376)	(19,450,785)	(1,260,252)	(32,264,499)
Cash payments to employees for services	(1,934,123)	(786,595)	(445,424)	-	(277,879)	(3,444,021)
Net cash provided by (used in) operating activities	(46,305)	27,653	69,940	3,431,307	40,880	3,523,475
Cash flows from noncapital financing activities:						
Transfers in	2,521,194	210,996	-	-	-	2,732,190
Transfers (out)	(802,485)	-	(4,977)	(828,567)	-	(1,636,029)
Net cash provided by (used in) noncapital financing activities	1,718,709	210,996	(4,977)	(828,567)	-	1,096,161
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(78,275)	(249,145)	-	-	-	(327,420)
Interest paid	(1,724)	(7,181)	-	-	-	(8,905)
Proceeds from capital lease	-	1,130,205	-	-	-	1,130,205
Proceeds from sale of capital assets	427,276	-	-	-	-	427,276
Acquisition and construction of capital assets (including capitalized interest)	(1,862,016)	(1,130,205)	(32,572)	-	(26,454)	(3,051,247)
Net cash used in capital and related financing activities	(1,514,739)	(256,326)	(32,572)	-	(26,454)	(1,830,091)
Cash flows from investing activities:						
Interest received (paid)	-	-	67,701	76,731	-	144,432
Net cash provided by investing activities	-	-	67,701	76,731	-	144,432
Net increase (decrease) in cash and cash equivalents	157,665	(17,677)	100,092	2,679,471	14,426	2,933,977
Cash and cash equivalents at beginning of year	1,826,167	403,164	5,940,663	5,870,951	265,213	14,306,158
Cash and cash equivalents at end of year	\$ 1,983,832	\$ 385,487	\$ 6,040,755	\$ 8,550,422	\$ 279,639	\$ 17,240,135
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,983,832	\$ 385,487	\$ 5,915,755	\$ 8,550,422	\$ 279,639	\$ 17,115,135
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	\$ 1,983,832	\$ 385,487	\$ 6,040,755	\$ 8,550,422	\$ 279,639	\$ 17,240,135

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2009

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,410,288)	\$ (253,167)	\$ (360,210)	\$ (536,248)	\$ (6,829)	\$ (3,566,742)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,597,605	257,170	28,525	-	53,677	2,936,977
Changes in assets and liabilities:						
(Increase) decrease in receivables	(9,393)	174	31,183	(106,745)	12,192	(72,589)
Decrease in inventory	70,578	-	-	-	-	70,578
Increase (decrease) in accounts payable	(270,201)	14,083	373,412	4,074,300	(20,703)	4,170,891
Increase (decrease) in accrued payroll	(17,239)	9,393	(2,970)	-	2,543	(8,273)
Decrease in deferred revenue	(7,367)	-	-	-	-	(7,367)
Total adjustments	2,363,983	280,820	430,150	3,967,555	47,709	7,090,217
Net cash provided by operating activities	\$ (46,305)	\$ 27,653	\$ 69,940	\$ 3,431,307	\$ 40,880	\$ 3,523,475

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2009

	Balance July 1, 2008 (as restated)	Additions	Deductions	Balance June 30, 2009
<u>ASSETS</u>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 32,392	\$ 163,383	\$ 23,293	\$ 172,482
Held by Clerk of Court				
Third parties	8,853,969	6,382,034	10,618,569	4,617,434
Held by Delinquent Tax				
Third parties	14,990,459	52,515,058	49,776,273	17,729,244
Held by Family Court				
Third parties	340,503	32,575,568	32,489,988	426,083
Held by Magistrates				
Third parties	93,557	100,400	93,557	100,400
Held by Master-In-Equity				
Third parties	2,846,962	15,756,974	17,121,454	1,482,482
Held by Probate				
Third parties	130	5,528	-	5,658
Held by Sheriff				
Third parties	200,844	5,033,286	5,026,003	208,127
Held by Solicitor				
Third parties	62,170	164,056	165,397	60,829
Total non-pooled cash and cash equivalents	27,420,986	112,696,287	115,314,534	24,802,739
Investments				
Held by Treasurer				
Charleston County School District	1,707,843	366,199	1,707,843	366,199
Total Investments	1,707,843	366,199	1,707,843	366,199

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See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2009

	Balance July 1, 2008 (as restated)	Additions	Deductions	Balance June 30, 2009
<u>ASSETS</u>				
Pooled cash and cash equivalents:				
Held by Treasurer				
C & B Fire Department	\$ 8,854	\$ 7,945	\$ 8,854	\$ 7,945
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(60,596)	16,585,335	16,740,288	(215,549)
Charleston County School District	5,814,326	473,563,605	465,753,596	13,624,335
City of Charleston	336,212	82,870,816	82,855,012	352,016
City of Folly Beach	14,766	1,838,300	1,834,991	18,075
City of Folly Beach/James Island	2,164	83,480	86,040	(396)
City of Isle of Palms	30,865	4,262,424	4,278,317	14,972
City of North Charleston	288,293	39,106,175	39,014,171	380,297
Cooper River PPC	3,027	235,279	235,583	2,723
East Cooper Fire District	68	-	-	68
James Island PSD	347,057	5,432,552	5,532,487	247,122
James Island Fireman's Fund	-	65,739	65,739	-
North Charleston District	18,680	1,422,622	1,424,549	16,753
S. C. Fireman's Association	-	2,092,007	2,045,268	46,739
St. Andrew's PPC	20,505	1,370,387	1,372,559	18,333
St. Andrew's Public Service District	62,344	4,662,840	4,673,074	52,110
St. John's Fire District	107,675	10,792,306	10,723,603	176,378
St. John's Fireman's Fund	293,876	324,034	617,910	-
St. Paul's Fire District	44,951	4,003,947	4,004,327	44,571
State Agencies	157,570	3,649,893	3,617,724	189,739
Third parties	(1,205,527)	40,863,669	41,021,960	(1,363,818)
Town of Awendaw Fireman's Assoc	-	50,859	50,859	-
Town of Awendaw	3,358	312,068	308,585	6,841
Town of Lincolnville	1,427	88,147	87,816	1,758
Town of McClellanville	3,156	258,402	258,134	3,424
Town of Mount Pleasant	4,830,441	24,816,829	29,589,945	57,325
Town of Sullivan's Island	7,085	1,486,739	1,489,608	4,216
Town of Summerville	108,606	232,212	113,983	226,835
Ten Mile Whitehall Escrow	206,741	102,810	-	309,551
Total held by Treasurer	11,444,886	720,581,421	717,804,982	14,221,325
Held by Drug & Vice Seizure Trust				
Third parties	251,520	459,785	251,520	459,785
Total pooled cash and cash equivalents	11,696,406	721,041,206	718,056,502	14,681,110
Total assets	\$ 40,825,235	\$ 834,103,692	\$ 835,078,879	\$ 39,850,048

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2009

	Balance July 1, 2008 (as restated)	Additions	Deductions	Balance June 30, 2009
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ (60,596)	\$ 16,585,335	\$ 16,740,288	\$ (215,549)
Cooper River PPC	3,027	235,279	235,583	2,723
James Island PSD	347,057	5,432,552	5,532,487	247,122
North Charleston District	18,680	1,422,622	1,424,549	16,753
St. Andrew's PPPC	20,505	1,370,387	1,372,559	18,333
St. John's Fire District	107,675	10,792,306	10,723,603	176,378
St. Paul's Fire District	44,951	4,003,947	4,004,327	44,571
	<u>481,299</u>	<u>39,842,428</u>	<u>40,033,396</u>	<u>290,331</u>
Total due to component units				
Intergovernmental payable:				
C & B Fire Department	8,854	7,945	8,854	7,945
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	7,522,169	473,929,804	467,461,439	13,990,534
City of Charleston	336,212	82,870,816	82,855,012	352,016
City of Folly Beach	14,766	1,838,300	1,834,991	18,075
City of Folly Beach/James Island	2,164	83,480	86,040	(396)
City of Isle of Palms	30,865	4,262,424	4,278,317	14,972
City of North Charleston	288,293	39,106,175	39,014,171	380,297
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	65,739	65,739	-
S. C. Fireman's Association	-	2,092,007	2,045,268	46,739
St. John's Fireman's Fund	293,876	324,034	617,910	-
St. Andrew's Public Service District	62,344	4,662,840	4,673,074	52,110
State Agencies	157,570	3,649,893	3,617,724	189,739
Town of Awendaw Fireman's Assoc	-	50,859	50,859	-
Town of Awendaw	3,358	312,068	308,585	6,841
Town of Lincolnton	1,427	88,147	87,816	1,758
Town of McClellanville	3,156	258,402	258,134	3,424
Town of Mount Pleasant	4,830,441	24,816,829	29,589,945	57,325
Town of Sullivan's Island	7,085	1,486,739	1,489,608	4,216
Town of Summerville	108,606	232,212	113,983	226,835
Ten Mile Whitehall Escrow	206,741	102,810	-	309,551
	<u>13,876,957</u>	<u>640,241,523</u>	<u>638,457,469</u>	<u>15,661,011</u>
Total intergovernmental payable				
Due to third parties	<u>26,466,979</u>	<u>154,019,741</u>	<u>156,588,014</u>	<u>23,898,706</u>
Total liabilities	<u>\$ 40,825,235</u>	<u>\$ 834,103,692</u>	<u>\$ 835,078,879</u>	<u>\$ 39,850,048</u>

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENT FUNDS**



COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
June 30, 2009

Function	Improvements					Machinery and Equipment	Infrastructure	Construction in Progress	Total
	Land	Buildings	Buildings	Other than Buildings					
General government	\$ 1,102,226	\$ 67,508,187	\$ 1,055,674	\$ 38,068,454	\$ -	-	\$ 8,079,601	\$ 115,814,142	
Public safety	1,493,871	38,867,800	-	14,856,330	-	-	60,223,716	115,441,717	
Judicial	-	60,731,081	-	810,753	-	-	-	61,541,834	
Public works	294,218	556,595	67,191	1,066,737	44,622,312	74,484	-	46,681,537	
Health and welfare	177,160	2,526,522	1,043,770	632,379	-	-	-	4,379,831	
Culture and recreation	13,266,684	27,642,799	-	24,269	-	-	-	40,933,752	
Total	\$ 16,334,159	\$ 197,832,984	\$ 2,166,635	\$ 55,458,922	\$ 44,622,312	\$ 68,377,801	\$ 384,792,813		

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2009

Function	Restated Balance July 1, 2008	Additions *	Deletions *	Balance June 30, 2009
General government	\$ 112,648,495	\$ 5,648,261	\$ (2,482,614)	\$ 115,814,142
Public safety	69,382,418	46,585,254	(525,954)	115,441,718
Judicial	61,557,242	-	(15,408)	61,541,834
Public works	47,005,312	477,389	(801,166)	46,681,535
Health and welfare	4,403,542	-	(23,711)	4,379,831
Culture and recreation	40,933,753	-	-	40,933,753
Total	\$ 335,930,762	\$ 52,710,904	\$ (3,848,853)	\$ 384,792,813

* The additions and deletions include amounts for inter-function transfers.

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL TABLES (UNAUDITED)



STATISTICAL TABLES

This section of the County of Charleston South Carolina's comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the County's overall financial health.

	<u>Page Number</u>
Financial Trends	175 - 181
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	182 - 186
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	187 - 191
These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	192 - 193
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	194 -202
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
Financial Assurance Coverage	203

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	\$ 38,880,686	\$ 40,126,334	\$ 49,998,715	\$ 57,359,439	\$ 73,784,397	\$ 89,153,294	\$ 102,685,537	\$ 99,409,429
Restricted	(A)	(A)	51,356,705	28,420,510	32,932,674	60,338,152	51,638,770	69,829,579	120,020,898	26,497,016
Unrestricted	(A)	(A)	65,557,470	41,986,611	33,263,298	11,749,363	37,628,366	26,178,518	(61,981,588)	(1,257,571)
Total Governmental Activities Net Assets	-	-	\$ 155,794,861	\$ 110,533,455	\$ 116,194,687	\$ 129,446,954	\$ 163,051,533	\$ 185,161,391	\$ 160,724,847	\$ 124,648,874
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	\$ 20,476,139	\$ 22,345,734	\$ 18,801,715	\$ 20,241,171	\$ 17,983,156	\$ 24,637,561	\$ 26,839,792	\$ 27,790,358
Restricted	(A)	(A)	27,483,291	14,418,181	8,462,709	11,141,799	49,159,942	34,873,968	38,021,909	39,974,530
Unrestricted	(A)	(A)	7,081,588	25,676,672	38,441,936	42,327,249	15,023,549	36,781,998	40,032,892	35,882,091
Total Business-type Activities Net assets	-	-	\$ 55,041,018	\$ 62,440,587	\$ 65,706,360	\$ 73,710,219	\$ 82,166,647	\$ 96,293,527	\$ 104,894,593	\$ 103,646,979
Primary Government										
Invested in Capital Assets, Net of Related Debt	(A)	(A)	\$ 59,356,825	\$ 62,472,068	\$ 68,800,430	\$ 77,600,610	\$ 91,767,553	\$ 113,790,855	\$ 129,525,329	\$ 127,199,787
Restricted	(A)	(A)	78,839,996	42,838,691	41,395,383	71,479,951	100,798,712	104,703,547	158,042,807	66,471,546
Unrestricted	(A)	(A)	72,639,058	67,663,283	71,705,234	54,076,612	52,651,915	62,960,516	(21,948,696)	34,624,520
Total Primary Government Net Assets	-	-	\$ 210,835,879	\$ 172,974,042	\$ 181,901,047	\$ 203,157,173	\$ 245,218,180	\$ 281,454,918	\$ 265,619,440	\$ 228,295,863

(A) GASB 34 was not implemented until the 2002 fiscal year; net asset information is not available prior to that fiscal year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Expenses										
Governmental Activities:										
General Government	(A)	(A)	\$ 40,355,391	\$ 42,030,869	\$ 44,073,903	\$ 48,480,730	\$ 54,974,087	\$ 65,198,099	\$ 65,852,893	\$ 57,001,166
Public Safety	(A)	(A)	49,424,542	57,667,474	60,199,756	65,411,630	67,475,922	65,619,715	79,153,052	79,004,932
Judicial	(A)	(A)	13,274,645	15,150,950	16,303,000	17,626,761	19,042,092	20,545,790	22,201,442	28,605,375
Public Works	(A)	(A)	12,371,692	14,249,365	13,047,445	14,569,632	23,717,878	40,185,783	31,011,124	39,605,730
Health and Welfare	(A)	(A)	11,240,334	13,698,800	12,259,223	11,823,614	10,992,770	11,112,177	12,879,164	13,211,079
Economic Development	(A)	(A)	730,879	584,991	1,057,507	943,669	3,481,117	1,324,790	3,228,377	858,483
Culture and Recreation	(A)	(A)	14,145,906	14,744,185	17,464,877	16,731,110	18,133,308	21,307,239	53,822,207	48,254,152
Education	(A)	(A)	3,549,382	3,592,277	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300	5,651,921
Interest and Fiscal Charges	(A)	(A)	9,931,428	10,697,842	9,306,029	10,107,693	10,453,449	9,311,104	18,461,680	20,934,569
Total Governmental Activities Expenses	(A)	(A)	155,024,199	172,416,753	177,447,635	189,625,877	213,275,582	239,742,540	291,935,239	293,127,407
Business-Type Activities:										
E 911	(A)	(A)	945,397	923,506	905,427	1,167,080	888,812	984,112	1,015,988	1,096,409
Environmental Management	(A)	(A)	26,371,802	26,266,186	27,252,627	29,335,704	32,430,587	30,229,939	39,064,678	43,209,125
Parking Garages	(A)	(A)	2,669,181	2,705,187	2,322,980	1,922,169	1,712,310	1,753,719	2,008,395	2,149,055
DOADAS	(A)	(A)	8,786,426	7,795,981	8,185,395	8,493,417	8,667,219	8,984,048	9,348,853	8,976,846
Revenue Collections	(A)	(A)	-	-	-	-	-	-	1,724,477	1,641,615
Radio Communications	(A)	(A)	-	-	-	-	-	1,800,430	1,973,647	2,153,163
Total Business-Type Activities Expenses	(A)	(A)	38,772,806	37,690,860	38,666,429	40,918,370	43,698,928	43,752,248	55,136,018	59,226,213
Total Primary Government Expenses	(A)	(A)	\$ 193,797,005	\$ 210,107,613	\$ 216,114,064	\$ 230,544,247	\$ 256,974,510	\$ 283,494,788	\$ 347,071,257	\$ 352,353,620
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	(A)	(A)	\$ 10,150,792	\$ 13,676,611	\$ 15,440,672	\$ 17,935,275	\$ 19,041,161	\$ 18,098,660	\$ 16,034,883	\$ 10,852,721
Public Safety	(A)	(A)	5,768,142	6,721,223	7,878,504	6,290,751	6,157,762	6,622,976	11,396,678	11,079,419
Judicial	(A)	(A)	5,494,170	5,900,661	7,292,551	7,253,058	7,778,889	7,641,424	8,319,231	9,286,809
Public Works	(A)	(A)	216,747	108,535	143,354	179,664	196,147	1,927,468	4,941,336	4,123,329
Health and Welfare	(A)	(A)	654,450	804,262	558,244	788,557	1,150,312	4,930,221	612,029	476,756
Culture and Recreation	(A)	(A)	79,220	68,828	66,441	73,303	201,705	179,007	4,003,383	1,767,195
Education	(A)	(A)	-	-	10,170	-	-	-	-	-
Operating Grants and Contributions	(A)	(A)	15,693,824	17,389,105	16,592,529	19,298,359	21,435,951	18,216,119	20,814,984	18,703,242
Capital Grants and Contributions	(A)	(A)	-	-	-	3,131,573	-	-	-	-
Total Governmental Activities Program Revenues	(A)	(A)	38,057,345	44,669,225	47,982,465	54,950,540	55,961,927	66,122,524	66,122,524	56,288,471

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type Activities:										
Charges for Services:										
E 911	(A)	(A)	\$ 1,148,171	\$ 1,120,349	\$ 1,273,381	\$ 1,940,631	\$ 1,265,946	\$ 1,379,569	\$ 1,365,183	\$ 1,429,854
Environmental Management	(A)	(A)	29,199,399	29,429,531	32,729,983	33,605,612	35,799,249	37,594,483	43,770,682	38,969,998
Parking Garage	(A)	(A)	2,720,599	2,833,338	8,290,653	2,008,933	2,066,315	2,424,078	2,501,491	2,698,693
DAODAS	(A)	(A)	4,374,792	3,707,126	3,783,036	5,519,478	4,113,731	6,361,075	4,475,009	4,700,331
Revenue Collections	(A)	(A)	-	-	-	-	-	-	1,071,795	464,550
Radio Communications	(A)	(A)	-	-	-	-	-	107,515	525,126	1,099,255
Operating Grants and Contributions	(A)	(A)	4,172,690	3,629,030	3,092,077	1,138,657	2,933,166	979,399	3,081,039	2,661,638
Capital Grants and Contributions	(A)	(A)	-	-	-	-	904,389	1,240	-	-
Total Business-type Activities Program Revenues	(A)	(A)	41,615,651	40,719,374	49,169,130	44,213,311	47,082,796	48,847,359	56,790,325	52,024,319
Total Primary Government Program Revenues	(A)	(A)	\$ 79,672,996	\$ 85,388,599	\$ 97,151,595	\$ 99,163,851	\$ 103,044,723	\$ 114,969,883	\$ 122,912,849	\$ 108,312,790
Net (Expense)/Revenue										
Governmental Activities	(A)	(A)	\$ (116,966,854)	\$ (127,747,528)	\$ (129,465,170)	\$ (134,675,337)	\$ (157,313,655)	\$ (173,620,016)	\$ (173,620,016)	\$ (236,838,936)
Business-type Activities	(A)	(A)	2,842,845	3,028,514	10,502,701	3,294,941	3,383,868	5,095,111	13,038,077	(7,201,894)
Total Primary Government Net (Expense)/Revenue	(A)	(A)	\$ (114,124,009)	\$ (124,719,014)	\$ (118,962,469)	\$ (131,380,396)	\$ (153,929,787)	\$ (168,524,905)	\$ (160,581,939)	\$ (244,040,830)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes by Source:										
Property Tax	(A)	(A)	\$ 76,672,139	\$ 76,262,067	\$ 76,421,626	\$ 77,341,114	\$ 82,216,983	\$ 82,289,668	\$ 86,507,891	\$ 96,621,772
Local Option Sales Tax	(A)	(A)	32,061,842	32,445,350	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297	41,085,569
Transportation Sales Tax	(A)	(A)	-	-	-	5,870,000	37,116,336	39,521,307	40,087,074	37,469,812
Accommodations Tax	(A)	(A)	6,561,848	6,683,992	6,927,227	7,611,446	8,292,848	9,176,823	9,872,302	8,864,365
Franchise Tax	(A)	(A)	689,269	545,425	589,622	793,129	774,254	538,048	955,712	793,067
Merchants Inventory Tax and Manufacture's Depreciation	(A)	(A)	1,607,919	1,682,766	1,715,716	1,677,255	1,563,067	1,632,214	1,611,561	1,607,308
Motor Carrier Tax	(A)	(A)	171,651	132,567	77,160	108,871	116,292	129,110	140,426	138,236
State Aid to Political Subdivisions	(A)	(A)	13,839,678	13,654,987	13,781,116	13,959,555	14,603,288	16,098,226	17,864,865	17,036,681
Grants and Contributions not Restricted to Specific Program	(A)	(A)	217,231	-	-	-	-	-	-	-
Unrestricted Investment Earnings	(A)	(A)	3,957,860	727,946	469,755	2,495,650	5,757,314	5,421,959	3,749,245	1,173,784
Gain (Loss) on Sale of Capital Assets	(A)	(A)	181,165	(214,959)	387,618	-	514,247	-	-	-
Transfers	(A)	(A)	(2,816,345)	(2,509,762)	8,151,631	(3,289,535)	(3,601,887)	(5,052,023)	(3,881,034)	(4,337,551)
Total Governmental Activities	(A)	(A)	133,144,257	129,410,379	144,150,548	144,667,582	189,511,916	193,779,728	201,376,339	200,453,043

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities:										
Property Taxes	(A)	(A)	\$	\$	\$	\$	\$	\$	\$	\$
Alcoholic Beverage Tax	(A)	(A)	481,219	514,357	528,466	542,927	523,037	505,366	542,927	542,927
Merchants Inventory tax and Manufacture's Depreciation	(A)	(A)	11,015	10,832	10,832	10,832	10,832	10,832	10,832	10,832
Unrestricted Investment Earnings	(A)	(A)	1,155,267	640,025	396,412	832,632	1,782,440	3,368,608	2,446,082	747,835
Gain (Loss) on Sale of Capital Assets	(A)	(A)	(111,664)	(22,975)	*	-	3,811	94,940	65,886	45,467
Transfers	(A)	(A)	2,816,345	2,509,762	(8,151,631)	3,289,535	3,601,887	5,052,023	3,881,034	4,337,551
Total Business-type Activities	(A)	(A)	4,352,182	3,652,360	(7,215,873)	4,675,990	5,922,072	9,031,769	6,946,761	5,684,612
Total Primary Government	(A)	(A)	\$ 137,496,439	\$ 133,062,739	\$ 136,934,675	\$ 149,343,572	\$ 195,433,988	\$ 202,811,497	\$ 208,323,100	\$ 206,137,655
Special Items			(224,758)	(7,573,526)	(9,151,217)	3,471,464	1,383,940	-	-	-
Change in Net Assets:										
Governmental Activities	(A)	(A)	15,952,645	(5,910,675)	5,534,161	13,463,709	33,582,201	20,159,712	27,756,323	(36,385,893)
Business-type Activities	(A)	(A)	7,195,027	6,680,874	3,286,828	7,970,931	9,305,940	14,126,880	19,984,838	(1,517,282)
Total Primary Government	(A)	(A)	\$ 23,147,672	\$ 770,199	\$ 8,820,989	\$ 21,434,640	\$ 42,888,141	\$ 34,286,592	\$ 47,741,161	\$ (37,903,175)

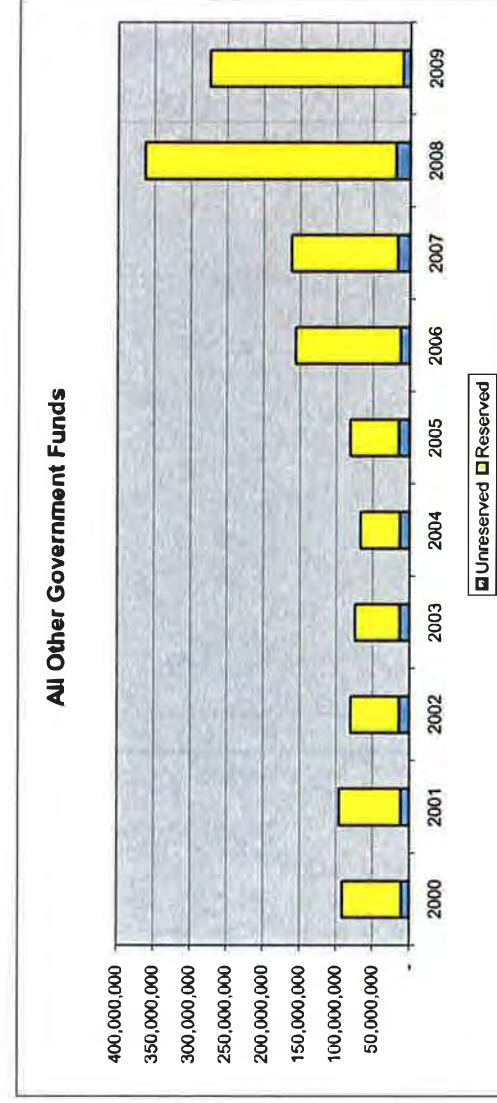
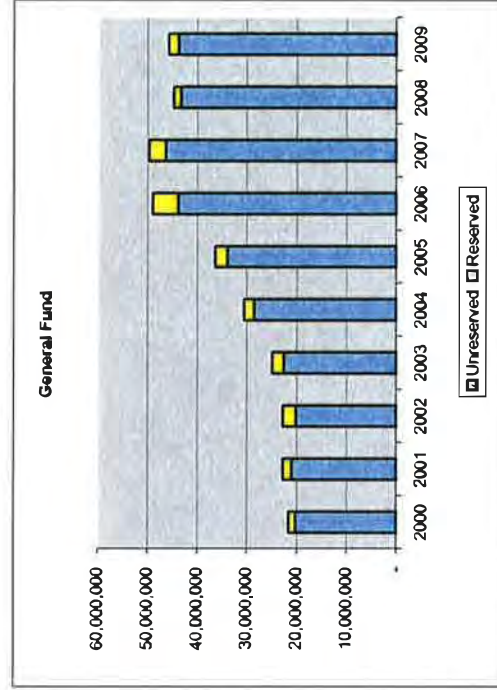
(A) GASB 34 was not implemented until the 2002 fiscal year; change in net asset information is not available prior to that fiscal year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 1,400,707	\$ 1,738,607	\$ 2,640,074	\$ 2,327,895	\$ 2,057,482	\$ 2,470,102	\$ 5,202,242	\$ 3,367,810	\$ 1,461,994	\$ 2,035,197
Unreserved	20,251,529	21,037,076	20,142,964	22,571,681	28,453,427	33,899,138	43,731,980	46,333,758	43,266,383	43,676,650
Total General Fund	\$21,652,236	\$22,775,683	\$22,783,038	\$24,899,576	\$30,510,909	\$36,369,240	\$48,934,222	\$49,701,568	\$44,728,377	\$45,711,847
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ 7,905	\$ -	\$ -	\$ 212,671	\$ 204,652	\$ 299,021	\$ 11,603	\$ 11,602	\$ -	\$ -
Encumbrances	42,770,830	29,748,490	14,947,995	15,093,314	7,163,103	5,628,457	13,318,333	9,008,571	11,406,709	48,296,368
Debt Service	5,599,228	7,515,689	10,226,831	9,212,186	11,951,945	26,279,539	18,953,106	18,252,403	19,702,506	17,263,879
Capital Projects Funds	32,543,827	46,940,375	41,147,186	37,062,341	34,782,398	34,058,613	32,685,664	22,441,838	82,345,276	27,529,136
Transportation and Road Sales Tax:	-	-	-	-	-	-	78,931,458	96,021,511	230,106,543	171,548,405
Unreserved, Reported in:										
Special Revenue Funds	10,337,025	11,411,114	13,383,688	12,427,657	12,505,052	14,384,176	12,042,386	16,128,286	18,760,941	9,386,959
Total All Other Governmental Funds	\$91,258,815	\$95,615,668	\$79,705,700	\$74,008,169	\$66,607,150	\$80,649,806	\$155,942,550	\$161,864,211	\$362,321,975	\$274,024,747

Note: The significant increase in reserved fund balance is due to the Transportation and Road Sales Tax Special Revenue Fund that was initiated in fiscal year 2006.



COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes by Source:										
Property Tax	\$ 63,329,697	\$ 68,609,823	\$ 76,617,795	\$ 76,060,041	\$ 76,637,031	\$ 77,352,935	\$ 82,395,793	\$ 82,296,820	\$ 84,190,895	\$ 94,147,427
Local Option Sales Tax	30,894,479	32,065,271	32,061,842	32,445,350	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297	41,085,569
Transportation Sales Tax						5,870,000	37,116,336	39,521,307	40,097,074	37,489,812
Intergovernmental	37,811,052	31,682,123	31,708,211	34,026,407	35,526,262	35,529,286	38,162,337	36,427,704	44,083,506	43,140,957
Permits and Licenses	17,049,868	18,404,737	19,395,825	21,240,225	23,974,732	28,134,114	5,039,668	5,290,740	5,700,779	4,439,742
Fines and Forfeitures	3,211,203	3,503,947	3,417,423	2,934,280	2,950,070	3,093,825	3,120,755	3,171,436	3,183,551	2,826,897
Interest	8,207,424	7,819,320	4,159,112	3,151,337	2,690,076	4,211,316	8,221,219	12,701,241	13,619,319	6,408,940
Service Charges	3,768,561	3,682,270	3,992,204	4,395,844	5,005,436	5,362,174	30,891,094	31,321,258	32,921,990	28,331,156
Rental and Use of Property	2,338,124	1,772,953	987,732	977,369	913,155	764,147	824,999	749,145	723,986	632,741
Other Revenues	2,439,107	3,525,675	2,168,314	2,151,627	2,429,717	15,712,452	3,195,766	2,912,098	5,356,322	5,695,690
Total Revenues	169,049,515	171,066,119	174,508,458	177,382,480	185,755,556	214,130,346	251,127,141	258,416,145	274,335,719	264,178,931
Expenditures										
Current:										
General Government	39,517,215	44,105,433	36,599,028	36,219,659	36,301,070	39,019,532	47,343,899	49,539,889	54,474,427	51,243,769
Public Safety	45,655,900	47,523,098	51,775,854	54,047,731	58,756,537	63,543,857	65,342,995	67,808,448	73,042,772	75,028,138
Judicial			13,288,448	13,741,592	14,573,036	16,001,052	17,593,865	19,349,156	20,946,565	23,390,831
Public Works	6,768,380	7,424,993	12,492,420	11,679,447	12,461,062	11,762,912	25,287,241	30,892,171	28,562,619	36,624,088
Health and Welfare	10,318,046	9,274,448	11,470,130	13,388,372	11,980,147	11,665,243	10,822,458	10,984,169	12,728,543	12,876,658
Economic Development	632,264	654,977	732,242	582,206	1,055,405	953,526	3,480,343	1,327,411	3,230,479	858,031
Culture and Recreation	13,297,032	13,615,973	13,804,030	14,061,914	15,121,758	16,029,300	17,427,709	20,501,703	53,428,524	47,899,154
Education	6,280,381	6,497,866	3,549,382	3,592,277	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300	5,651,921
Capital Outlay	39,465,880	37,027,780	24,235,436	11,437,194	12,418,844	8,378,854	11,443,269	16,785,576	23,940,281	55,775,140
Debt Service:										
Principal	8,943,128	8,217,722	6,782,392	8,764,798	11,383,731	9,190,168	13,935,403	14,163,474	16,569,890	16,503,464
Interest and Fiscal Charges	6,928,247	9,239,501	9,957,303	9,583,270	10,445,027	9,675,723	9,437,517	8,906,724	15,476,402	21,410,902
Bond Issuance Costs	152,923	363,146	-	-	887,728	314,963	288,427	-	97,756	102,252
Total Expenditures	177,959,396	183,944,937	184,686,665	177,098,460	189,120,240	190,466,168	227,408,085	245,396,584	307,823,558	347,364,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,909,881)	(12,878,818)	(10,178,207)	284,020	(3,364,684)	23,664,178	23,719,056	13,019,561	(33,487,839)	(83,185,417)

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses)										
Capital Lease Proceeds	\$ -	\$ -	\$ -	\$ 915,806	\$ 431,614	\$ 844,468	\$ 841,831	\$ 1,429,804	\$ 100,539	\$ 775,100
Sale of GO Transportation Sales Tax Bonds	-	-	-	-	-	-	65,000,000	-	150,000,000	-
Sale of General Obligation Bonds	-	-	-	-	-	-	-	-	75,000,000	-
Refunding General Obligation Bonds Issued	49,845,105	30,349,046	-	-	63,740,000	-	-	-	-	-
Refunding Certificates of participation Issued	-	-	-	-	-	16,139,845	-	-	-	-
Premium on Bonds Sold	-	-	-	-	38,527,153	707,763	1,978,623	-	10,789,016	-
Payment to Refunded Debt Escrow Agent	(29,243,355)	(5,859,135)	-	-	(100,978,948)	(16,749,287)	-	-	-	-
Transfers In	8,858,326	6,457,997	7,729,355	6,173,477	27,328,853	11,448,598	26,475,413	20,464,780	30,244,272	30,727,314
Transfers Out	(15,016,484)	(13,095,710)	(14,065,067)	(10,982,211)	(22,250,488)	(17,580,736)	(32,954,151)	(28,357,277)	(37,208,200)	(36,161,026)
Sale of Capital Assets	-	-	118,014	24,645	1,144,447	1,572,599	1,390,616	194,554	46,780	220,347
Total Other Financing Sources (Uses)	14,443,592	17,852,198	(5,537,811)	(3,868,283)	10,695,963	(3,616,750)	62,732,332	(6,268,139)	228,972,407	(4,438,265)
Special Item	-	-	-	-	(9,151,217)	-	1,383,940	-	-	-
Net Change in Fund Balances	\$ 5,533,711	\$ 4,973,380	\$ (15,716,018)	\$ (3,584,263)	\$ (1,819,938)	\$ 20,047,428	\$ 87,835,328	\$ 6,751,422	\$ 195,484,568	\$ (87,623,682)
Capital Asset Expenditures	\$ 36,436,215	\$ 33,296,043	\$ 24,354,576	\$ 12,453,729	\$ 14,125,020	\$ 10,692,730	\$ 16,576,342	\$ 15,664,602	\$ 21,139,930	\$ 52,710,904
Debt Service as a										
Percentage of Noncapital Expenditures	11.3%	11.8%	10.4%	11.1%	13.0%	10.7%	11.2%	10.0%	11.2%	12.9%

COUNTY OF CHARLESTON, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30,	Personal		Vehicles	Total Taxable		Total Direct Tax Rate	Estimated Actual		Assessed Value as a Percentage of Estimated Actual Tax Value
	Real Property	Property		Assessed Value	Taxable Value		Taxable Value	Tax Value	
2000	766,283,307	185,778,620	171,560,857	1,123,622,784	213.9	18,410,141,885	6.10%		
2001	1,145,417,703	192,723,669	180,661,249	1,518,802,621	180.0	28,595,317,583	5.31%		
2002	1,297,211,547	201,808,305	172,330,164	1,671,350,016	180.2	29,666,989,206	5.63%		
2003	1,347,982,940	208,482,465	169,956,308	1,726,421,713	187.7	30,851,205,551	5.60%		
2004	1,394,103,212	210,193,376	173,309,334	1,777,605,922	191.9	32,425,619,687	5.48%		
2005	2,041,172,452	213,698,050	164,182,170	2,419,052,672	161.3	46,536,987,902	5.20%		
2006	2,197,536,874	194,576,361	153,380,326	2,545,493,561	160.8	47,282,058,031	5.38%		
2007	2,308,701,112	210,195,223	159,335,124	2,678,231,459	168.0	49,446,157,317	5.42%		
2008	2,525,310,042	215,663,434	175,326,815	2,916,300,291	177.0	52,960,945,426	5.51%		
2009	2,567,170,930	225,355,873	167,364,803	2,959,891,606	181.0	55,081,538,273	5.37%		

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2005. Tax rates are per \$1,000 of assessed value.

Note: 2 For FY 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for FY 1990 was approximately \$209,000,000. In place of the property tax, the State now pays the County, through State shared revenues the amount of tax that was received in FY 1988. This amount is frozen for all future years at the FY 1988 level.

Note: 3 Under SC Law all real property is appraised at actual market value then adjusted to reflect the county-wide composite average of appraised value to sales for the prior year, to arrive at assessed value. This value of both real estate and personal property is then adjusted to a taxable value between 4% and 10.5% depending on the type of property. This is used to determine the legal debt margin.

COUNTY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Rate per \$1,000 of Assessed Value)

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Direct Rates:										
Charleston County Government Operating	69.2	69.2	53.8	50.8	50.8	51.3	40.2	40.2	40.2	40.2
Charleston County Government Debt Service	16.6	16.6	13.0	10.4	10.4	9.9	6.6	6.6	6.6	6.6
Park and Recreation Commission Operating	4.5	4.5	3.7	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Park and Recreation Commission Debt Service	5.6	5.6	3.9	3.7	3.7	3.7	2.1	2.1	2.1	2.0
Trident Technical College	2.8	2.8	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.0
County School Board Operating	90.0	90.0	81.6	89.3	105.1	109.0	91.1	92.8	95.4	98.7
County School Board Debt Service	29.8	25.2	21.8	20.4	12.1	12.4	15.8	13.6	18.2	23.9
Total Direct Rate	218.5	213.9	180.0	180.2	187.7	191.9	161.3	160.8	168.0	177.0
Fire District Rates:	29.0 - 59.2	28.5 - 59.2	23.8 - 51.5	21.8 - 50.9	23.2 - 50.9	23.9 - 51.5	16.5 - 40.3	16.5 - 40.3	12.0 - 41.5	12.0 - 42.7
City/Town Rates:	34.2 - 129.8	34.2 - 129.8	28.3 - 116.4	26.2 - 116.4	27.9 - 116.4	28.5 - 116.4	17.9 - 115.5	18.5 - 92.8	22.4 - 92.8	22.2 - 92.8
Public Service District Rates:	82.2 - 97.0	85.7 - 104.4	77.4 - 104.6	72.1 - 104.5	74.2 - 104.5	74.2 - 111.4	55.2 - 111.2	55.2 - 108.4	51.6 - 102.3	55.2 - 102.3

Source:

The above millage rates were provided by the Charleston County Auditor.

Note:

Overlapping rates are those of local and county-wide governments that apply to property owners within the County of Charleston South Carolina. Not all overlapping rates apply to all of Charleston County property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the Charleston County's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2009

<u>Name of Jurisdiction</u>	<u>Principal Balance</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
County of Charleston	\$ 353,265,000	100%	\$ 353,265,000
Overlapping:			
Park & Recreation Commission	17,300,000	100%	17,300,000
Public School Districts	216,250,000	100%	216,250,000
Subtotal	<u>233,550,000</u>	<u>100%</u>	<u>233,550,000</u>
Total	<u>\$ 586,815,000</u>	<u>100%</u>	<u>\$ 586,815,000</u>

Note: This schedule represents the debt of all county-wide jurisdictions. Individual cities and other districts within Charleston County have debt which is paid separately from their individual tax levies. These individual debts have not been included in the overlapping principal balance because the total debt differs within each individual jurisdiction.

This information was obtained from the Charleston County Treasurer's Office.

COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2009				2000			
	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	SCE & G	Electric and Gas Utility	\$ 37,950,400	1	1.30%	\$ 29,784,620	1	3.0%
	Bell South	Telecommunications	19,096,780	2	0.65%	14,685,100	3	1.5%
	MeadWestvaco	Paper and Chemicals	15,246,957	3	0.52%	26,679,690	2	2.6%
	Kiawah Real Estate Co.	Real Estate	7,581,360	4	0.26%	-	-	-
	Berkeley Electric Co-Op	Electric and Gas Utility	5,490,940	6	0.19%	3,298,730	5	0.3%
	Charleston Place LLC	Hotels and Convention Center	5,380,080	5	0.18%	-	-	-
	Cellco	Telecommunications	5,343,430	7	0.18%	-	-	-
	North Charleston Joint Venture II	Retail	4,897,680	8	0.17%	2,229,160	7	0.2%
	Cummins Engine	Engine Fabrication	4,554,020	9	0.16%	2,935,940	6	0.3%
	IMI Mt Pleasant	Retail	4,048,260	10	0.14%	-	-	-
	Albright & Wilson	Chemicals	-	-	-	4,051,110	4	0.4%
	Kiawah Resort Associates LP	Development	-	-	-	2,028,760	8	0.2%
	Charleston Joint Venture	Retail	-	-	-	1,587,120	9	0.2%
	Evening Post	News Media	-	-	-	1,426,180	10	0.1%
	Totals		\$109,589,907		3.8%	\$88,706,410		8.8%

Source: Charleston County Auditor

**COUNTY OF CHARLESTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Collected within the Fiscal			Collections in Subsequent Years	Total Collections to Date		
	Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Year of the Levy		Percentage of Levy		
					Amount	Percentage of Levy	
2000	59,000,991	59,000,991	56,322,447	95.5%	2,570,312	58,892,759	99.8%
2001	62,990,678	62,990,678	60,011,687	95.3%	2,852,024	62,863,711	99.8%
2002	69,979,712	69,979,712	66,574,527	95.1%	3,299,709	69,874,236	99.8%
2003	70,724,095	70,724,095	67,801,645	95.9%	2,791,054	70,592,699	99.8%
2004	73,504,819	73,504,819	70,729,990	96.2%	2,617,652	73,347,642	99.8%
2005	71,982,912	71,982,912	69,530,828	96.6%	2,307,656	71,838,484	99.8%
2006	75,825,360	75,825,360	73,525,524	97.0%	2,064,431	75,589,955	99.7%
2007	76,026,583	76,026,583	73,199,901	96.3%	1,130,317	74,330,218	97.8%
2008	78,854,461	78,854,461	75,500,629	95.7%	1,657,467	77,158,096	97.8%
2009	82,649,921	82,649,921	77,757,867	94.1%	3,794,320	81,552,187	98.7%

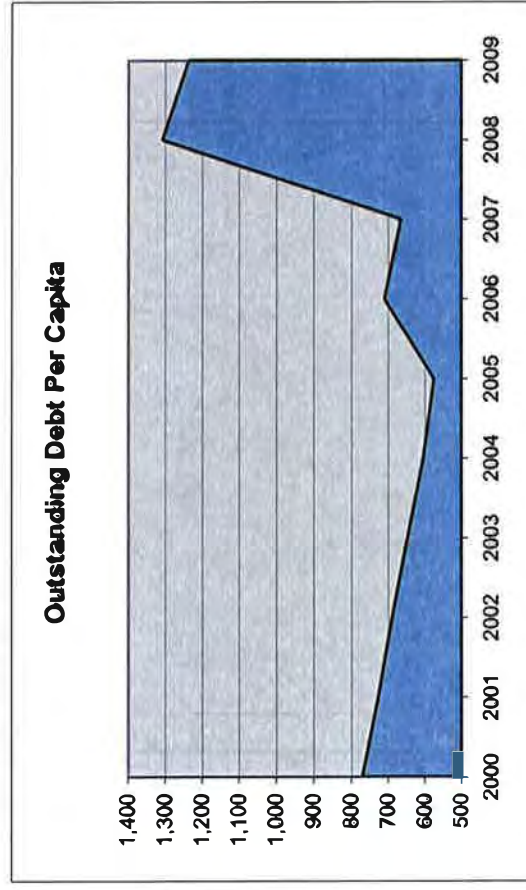
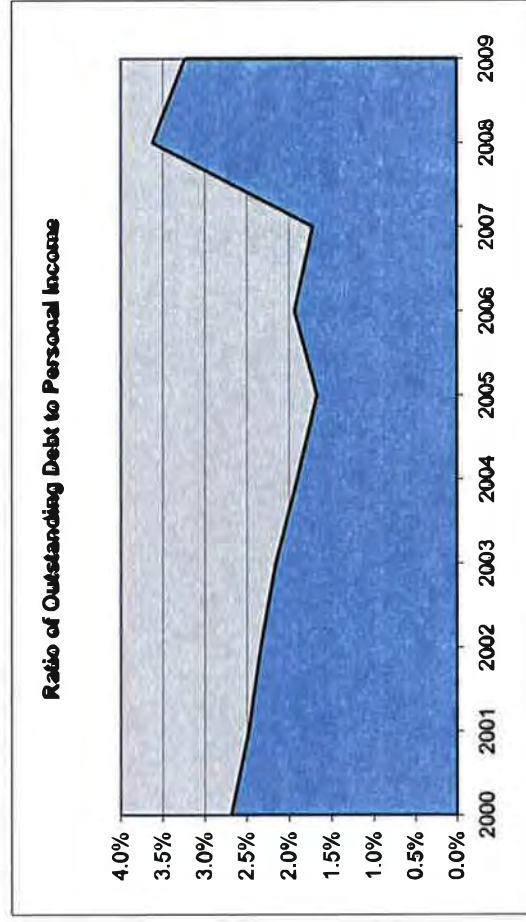
Source: This information was provided by the Charleston County Treasurer's Office.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Certificates of Participation	Revenue Bonds	Capital Leases			
2000	84,625,000	86,248,700	-	25,106,300	18,645,000	-	239,731,300	2.7%	771
2001	110,400,000	78,048,825	-	22,691,175	17,740,000	-	228,880,000	2.5%	728
2002	106,850,000	74,816,433	679,887	21,583,567	16,790,000	-	220,719,887	2.3%	690
2003	101,745,000	71,416,680	1,415,624	20,418,320	15,785,000	-	210,780,624	2.2%	649
2004	100,755,000	71,254,819	1,306,196	13,365,181	14,525,000	-	201,206,196	1.9%	605
2005	97,535,000	66,992,312	3,636,998	12,542,688	13,280,000	-	193,986,998	1.7%	576
2006	153,448,297	62,427,073	3,474,081	11,065,789	11,723,994	-	242,139,234	1.9%	711
2007	146,394,774	57,631,034	3,873,002	10,231,634	10,491,229	-	228,621,673	1.7%	666
2008	373,504,430	52,628,009	2,947,139	9,356,755	9,194,837	-	447,631,170	3.6%	1,309
2009	363,444,567	47,313,497	3,788,455	8,418,114	7,824,327	-	430,788,960	3.2%	1,238

See the Schedule of Demographic and Economic Statistics for personal income and population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

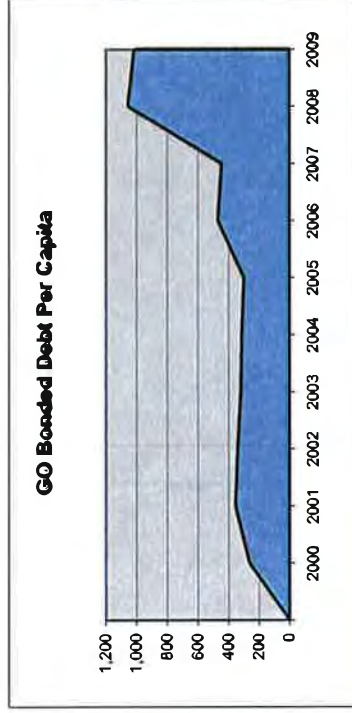
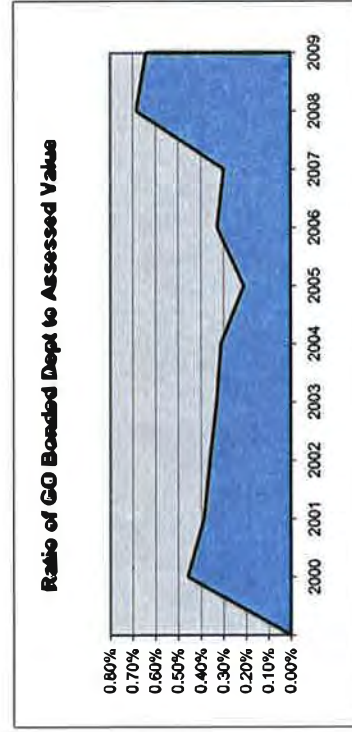
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	Gross G.O. Bonded Debt	Ratio of G.O. Bonded Debt to Assessed Value	G.O. Bonded Debt Per Capita
2000	319,921	18,410,141,885	84,625,000	0.46%	265
2001	309,969	28,595,317,583	110,400,000	0.39%	356
2002	312,365	29,666,989,206	106,850,000	0.36%	342
2003	316,611	30,851,205,551	101,745,000	0.33%	321
2004	321,014	32,425,619,687	100,755,000	0.31%	314
2005	324,224	46,536,987,902	97,535,000	0.21%	301
2006	329,482	47,282,058,031	155,025,000	0.33%	471
2007	331,917	49,446,157,317	147,470,000	0.30%	444
2008	342,973	52,960,945,426	362,730,000	0.68%	1,058
2009	348,046	55,081,538,273	353,265,000	0.64%	1,015

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

Note 3 See the Schedule for Demographic and Economic Statistics for population data.



COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF TOTAL TAX SUPPORTED DEBT TO
ASSESSED VALUE AND TOTAL TAX SUPPORTED DEBT PER CAPITA
LAST TEN FISCAL YEARS

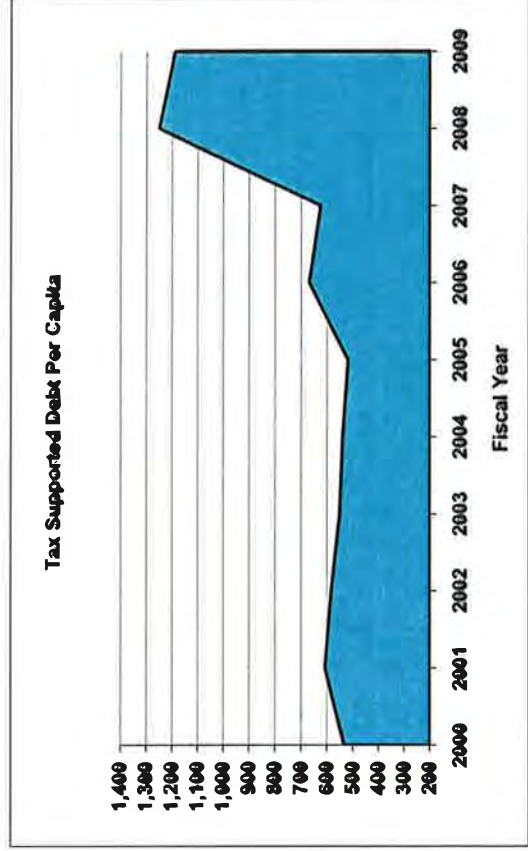
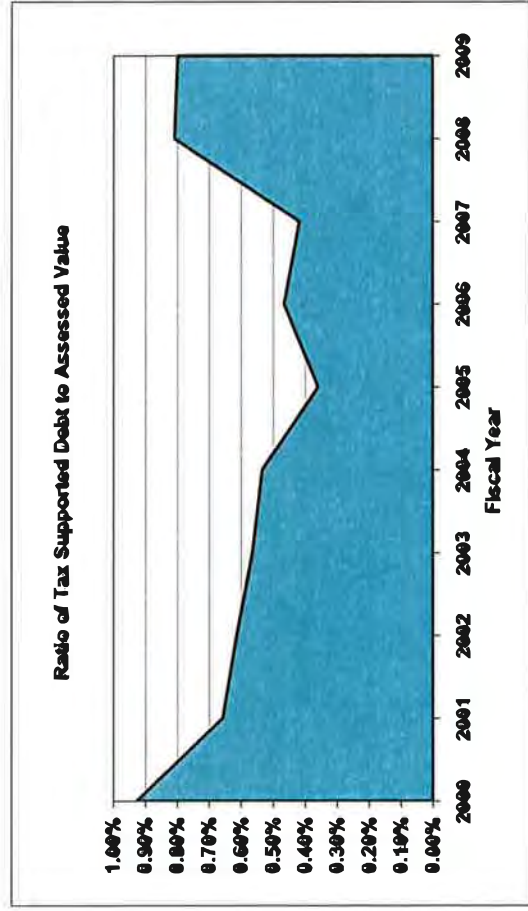
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Certificates of Participation	Capital Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
2000	319,921	\$ 18,410,141,885	\$ 84,625,000	\$ 86,248,700	\$ -	\$ 170,873,700	0.93%	\$ 534
2001	309,969	28,595,317,583	110,400,000	78,048,825	-	188,448,825	0.66%	608
2002	312,365	29,666,989,206	106,850,000	74,816,433	679,887	182,346,320	0.61%	584
2003	316,611	30,851,205,551	101,745,000	71,416,680	1,415,624	174,577,304	0.57%	551
2004	321,014	32,425,619,687	100,755,000	71,254,819	1,306,196	173,316,015	0.53%	540
2005	324,224	46,536,987,902	97,535,000	66,992,312	3,636,998	168,164,310	0.36%	519
2006	329,482	47,282,058,031	155,025,000	62,427,073	3,474,081	220,926,154	0.47%	671
2007	331,917	49,446,157,317	146,394,774	57,361,034	3,873,002	207,628,810	0.42%	626
2008	342,973	52,960,945,426	373,504,430	52,628,009	2,886,523	429,018,962	0.81%	1,251
2009	348,046	55,081,538,273	363,444,567	47,313,498	2,907,395	413,665,460	0.75%	1,189

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

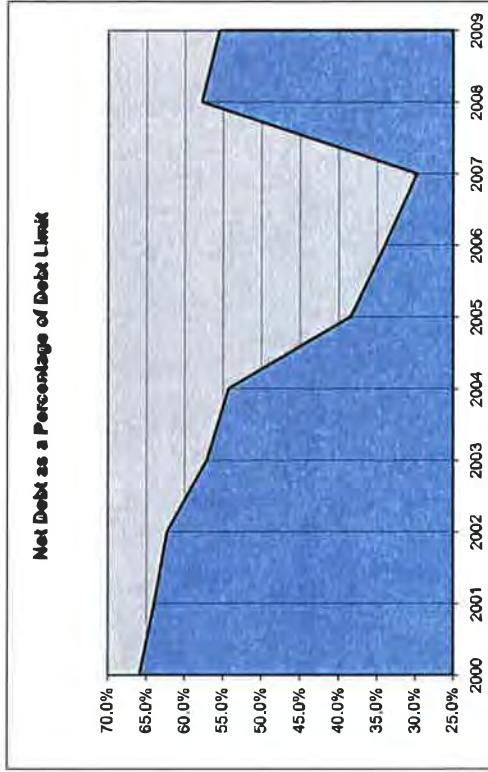
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



COUNTY OF CHARLESTON, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

UNAUDITED

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$92,332,405	\$136,653,408	\$135,820,190	\$140,476,777	\$144,634,276	\$195,786,861	\$205,995,772	\$216,723,669	\$235,740,344	\$239,227,649
Total Net Debt Applicable to Debt Limit	60,875,000	87,400,000	84,600,000	80,245,000	78,558,957	75,338,957	69,974,368	64,575,697	136,260,341	132,862,801
Legal Debt Margin	31.457,405	49,253,408	51,220,190	60,231,777	66,075,319	120,447,904	136,021,404	152,147,972	99,480,003	106,364,848
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	65.9%	64.0%	62.3%	57.1%	54.3%	38.5%	34.0%	29.8%	57.8%	55.5%



Legal Debt Margin Calculation for Fiscal Year 2009

Total Assessed Value	\$2,990,345,617
Debt Limit (8% of Total Assessed Value)	239,227,649
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	353,265,000
Less: Debt Issued Through Referendum	(220,402,199)
Total Amount of Debt Applicable to Debt Limit	132,862,801
Legal Debt Margin	\$ 106,364,848

Note: Article ten X, Section fourteen (14) of the South Carolina Constitution of December 1, 1977, as amended, provides that no government shall incur any bonded debt which shall exceed eight percent of the assessed value of the property therein without voter approval.

COUNTY OF CHARLESTON, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
REVENUE BOND COVERAGE
ENVIRONMENTAL MANAGEMENT ENTERPRISE FUND

UNAUDITED

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$ 30,313,065	\$ 21,292,411	\$ 9,020,654	\$ 860,000	\$ 1,153,540	\$ 2,013,540	4.48
2001	30,937,885	23,767,198	7,170,687	905,000	1,101,599	2,006,599	3.57
2002	30,482,043	24,733,210	5,748,833	950,000	1,053,880	2,003,880	2.87
2003	30,172,896	23,621,983	6,550,913	1,005,000	1,002,579	2,007,579	3.26
2004	33,291,523	25,611,601	7,679,922	1,060,000	716,904	1,776,904	4.32
2005	34,588,461	27,570,465	7,017,996	1,161,955	703,308	1,865,263	3.76
2006	37,566,510	31,391,266	6,175,244	1,278,336	598,413	1,876,749	3.29
2007	40,753,403	29,554,141	11,199,262	1,232,765	344,985	1,577,750	7.10
2008	45,999,989	39,615,963	6,384,026	1,296,392	577,608	1,874,000	3.41
2009	39,875,189	42,880,897	(3,005,708)	1,370,510	506,740	1,877,250	-1.60

Note: 1 Details regarding the County of Charleston's outstanding debt can be found in the notes to the basic financial statements.

Note: 2 Gross revenues include interest, operating grants, and loss on disposal of capital assets.

Note: 3 Total operating expenses are exclusive of depreciation and amortization.

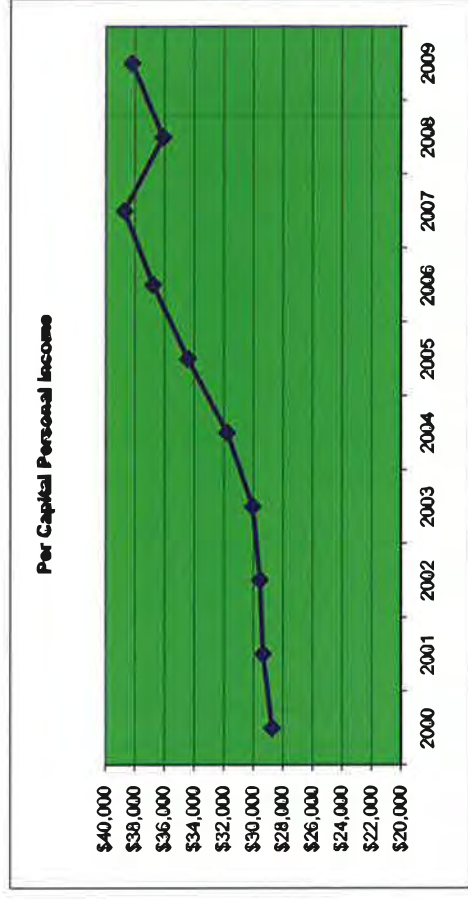
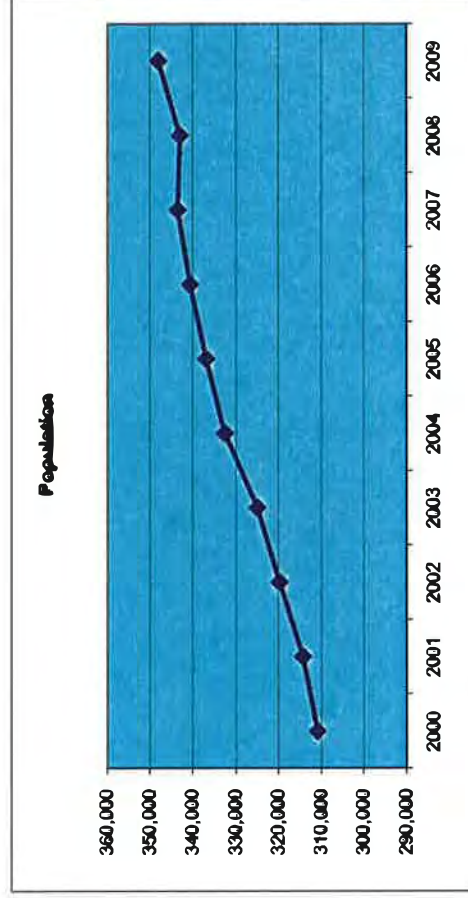
COUNTY OF CHARLESTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment
2000	310,890	\$ 8,924,061,000	\$ 28,705	3.0%	31.8	43,212
2001	314,279	9,220,256,000	29,338	3.2%	31.9	41,864
2002	319,723	9,449,358,000	29,555	3.8%	33.9	41,830
2003	324,900	9,763,420,000	30,051	4.2%	34.5	43,783
2004	332,561	10,569,980,000	31,784	4.4%	35.3	41,870
2005	336,865	11,594,427,000	34,419	4.7%	35.5	41,912
2006	340,625	12,517,629,000	36,749	5.0%	36.2	48,500
2007	343,522	13,295,048,000	38,702	5.0%	36.0	43,247
2008	342,973	12,380,254,000	36,097	4.5%	36.0	42,488
2009	348,046	13,295,048,000	38,199	5.3%	36.0	42,215

The following Data Sources were used to develop this information:
 South Carolina Office of Research and Statistics
 SClway - SC Internet Information Highway
 Charleston County Chamber of Commerce

Some of the statistics for Fiscal Year Ended June 30, 2004 and beyond are estimated from past year trend analysis.



**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

UNAUDITED

County Employment for 2009 161,263
County Employment for 2000 147,850

	2009			2000			
	Employer	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
	Medical University of South Carolina (MUSC)	7,528	1	4.67%	8,000	1	5.41%
	Charleston Air Force Base	6,971	2	4.32%	5,292	2	3.58%
	Charleston County School District	5,132	3	3.18%	4,865	3	3.29%
	Roper St. Francis Healthcare	3,800	4	2.36%	4,500	4	3.04%
	JEM Restaurant Group Inc.	3,000	5	1.86%	-	-	-
	Charleston County	2,150	6	1.33%	2,243	5	1.52%
	Trident Medical Center (Trident Health System)	2,000	7	1.24%	-	-	-
	Piggly Wiggly Carolina Co. Inc.	1,891	8	1.17%	1,800	7	1.22%
	Force Protection, Inc.	1,800	9	1.12%	-	-	-
	City of Charleston	1,700	10	1.05%	1,600	8	1.08%
	Mead Westvaco				2,205	6	1.49%
	Wal-Mart				1,560	9	1.06%
	S.C. Electric & Gas Company				1,000	10	0.68%
Totals		35,972		22.19%	33,065		22.36%

Source: Charleston Metro Chamber of Commerce, Center for Business Research.

COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

UNAUDITED

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
County Council	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Administrator	5.00	5.00	5.00	5.00	7.00	7.00	7.00	7.00	7.00	6.31
Assessor	49.00	49.00	44.00	44.00	44.00	47.00	47.00	47.00	49.00	53.00
Auditor	31.00	31.00	31.00	31.00	30.00	30.00	30.00	29.00	29.00	30.00
Budget	6.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00
Capital Projects Admin.	20.00	20.00	20.00	20.00	17.00	17.00	17.00	16.00	14.00	12.00
Assist Admin for Finance	17.00	14.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Controller	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00
Delinquent Tax	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00
Assist Admin for Gen Svcs	-	-	-	-	-	-	-	-	-	4.00
Assist Admin for Human & Environmental Svcs	-	-	-	-	-	-	-	3.00	3.00	3.00
Assist Admin for Transportation & Emergency Management	-	-	-	-	-	-	-	-	-	0.05
Elections/Voter Registration	8.50	8.50	8.50	8.50	8.50	10.00	10.00	10.00	10.00	10.00
Facilities Management	-	-	-	-	70.00	70.00	70.00	63.00	63.00	63.00
Grants Administration	13.25	13.25	13.25	12.25	11.25	11.25	11.25	9.75	9.75	8.75
Human Resources	16.00	16.00	16.00	15.00	14.00	14.00	14.00	14.00	14.00	17.00
Internal Auditor	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	153.80	157.40	156.00	149.60	77.60	76.60	72.60	68.60	68.60	67.80
Legal	5.84	5.84	5.84	5.56	5.56	5.56	5.56	6.56	6.42	8.42
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Organization Development	-	-	-	-	-	-	-	4.00	4.00	4.35
Planning	24.00	24.00	25.00	25.00	25.00	25.00	26.00	24.00	24.00	24.00
Procurement Services	16.00	17.00	16.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00
Radio Communications	2.00	2.00	3.00	3.00	3.00	3.00	3.00	-	-	-
Register Mesne Conveyance	29.25	30.00	30.00	30.00	30.00	30.00	30.00	33.00	33.00	32.00
Revenue Collections	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	22.00	22.00
Safety & Risk Management	3.00	3.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Technology Services	-	-	10.00	13.00	13.00	8.00	9.00	17.00	17.00	17.00
Treasurer	19.00	19.00	20.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00
Other (No Longer Used)	1.75	7.00	6.00	6.00	-	-	-	-	-	-
Total General Government	468.39	475.99	473.59	465.91	453.91	452.41	450.41	451.91	467.77	475.68

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

UNAUDITED

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Building Services	22.00	21.00	23.00	22.00	21.00	21.00	22.00	22.00	22.00	24.00
Consolidated Dispatch	-	-	-	-	-	-	-	-	-	1.00
Emergency Management	7.00	8.00	7.00	7.00	6.00	20.00	25.00	27.00	30.00	30.00
Emergency Medical	160.00	164.00	168.00	167.00	170.00	161.00	169.00	174.00	174.00	165.00
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	-
Sheriff	665.31	673.31	674.31	702.31	741.31	777.31	779.31	780.31	792.31	808.11
Technology Services	-	-	-	-	-	-	-	-	-	2.00
Other (No Longer Used)	-	-	1.00	-	-	-	-	-	-	-
Total Public Safety	855.31	867.31	874.31	899.31	939.31	980.31	996.31	1,004.31	1,020.31	1,030.11
Judicial										
Clerk of Court	53.00	54.00	54.00	53.00	53.00	53.00	53.00	54.00	54.00	54.00
Coroner	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00
Magistrates Courts	66.11	67.36	67.89	67.89	67.89	68.89	70.41	70.41	70.41	69.41
Master-In-Equity	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Probate Courts	18.30	18.30	18.30	19.30	19.30	19.30	19.30	19.30	20.30	20.30
Solicitor	67.00	72.00	74.00	77.00	79.00	79.00	81.00	88.00	91.00	93.00
Public Defender	-	-	-	-	-	-	-	-	-	52.00
Total Judicial	215.41	223.66	226.19	229.19	231.19	232.19	235.71	243.71	249.71	303.71
Public Works										
Administrator	-	-	-	-	-	-	-	-	-	0.07
Revenue Collections	12.00	12.00	12.00	11.00	11.00	12.00	12.00	13.00	-	-
Chief Deputy Administrator	-	-	-	-	-	-	1.00	1.00	1.00	-
Dep Admin Trans Sales Tax	-	-	-	-	-	-	-	-	-	6.95
Organizational Development	-	-	-	-	-	-	-	-	-	1.65
Public Works	174.00	174.00	173.00	162.00	159.00	159.00	161.00	168.00	176.00	164.00
Environmental Management	131.00	131.00	131.00	127.00	126.00	126.00	126.00	126.00	128.00	127.00
Total Public Works	317.00	317.00	316.00	300.00	296.00	297.00	300.00	308.00	305.00	299.67

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

UNAUDITED

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Health and Welfare										
DAODAS	181.50	169.50	170.50	125.00	131.00	131.00	131.00	133.00	137.00	129.00
Facilities Management	-	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grants Administration	33.75	20.75	20.75	18.75	25.75	25.75	25.75	26.25	36.25	33.25
Public Works	29.00	29.00	29.00	26.00	24.00	24.00	24.00	23.00	23.00	24.00
Veterans Affairs	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00	4.00
Total Health and Welfare	248.25	224.25	225.25	175.75	185.75	185.75	185.75	187.25	202.25	192.25
Culture and Recreation										
Revenue Collections	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Assist Admin for Transportation & Emergency Management Planning	-	-	-	-	-	-	-	-	-	2.00
Total Culture and Recreation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	1.00	2.00
Economic Development	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00
Total Economic Development	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00
Total	2,109.36	2,113.21	2,120.34	2,074.16	2,111.16	2,152.66	2,173.18	2,201.18	2,249.04	2,306.42

Source: Charleston County Budget Department

Note: 1 Includes the Authorized Full Time Employees for both Government and Business-type Activities

Note: 2 The detail information available prior to Fiscal Year 2000 does not provide for a viable comparison within the functions.

COUNTY OF CHARLESTON, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Auditor - Tax Notices Processed	492,000	506,960	530,520	503,520	520,000	545,000	600,000	590,283	521,701	550,000
RMC Documents Recorded	104,525	105,000	110,000	143,674	142,244	143,500	147,569	133,772	116,770	84,711
Zoning Applications Processed	2,804	3,051	3,000	2,761	3,340	3,400	3,741	3,336	3,266	2,846
Illegal Businesses Located	-	567	563	982	998	831	714	278	346	86
Public Safety										
Building Inspections Performed	17,586	18,016	18,000	15,965	18,323	22,563	28,191	23,702	22,519	15,472
Bad Check Warrants Served	6,103	5,633	5,280	2,632	2,432	7,107	3,774	6,124	6,194	6,594
Daily Costs Per Prisoner	30	31	32	33	40	40	40	40	55	55
Judicial										
Marriage Licenses Issued	5,161	5,200	4,800	2,275	2,429	3,712	3,733	3,877	3,769	3,846
Master-in-Equity Cases Disposed of	771	605	640	833	1,323	1,248	718	998	1,390	2,227
Health and Welfare										
Veterans Claims Filed	7,134	7,200	7,300	7,318	7,438	8,505	8,038	9,215	9,215	10,254
Economic Development										
Number of New Companies Relocating to Charleston	10	1	1	6	1	4	5	1	4	0
Number of New Jobs From Relocating Companies	386	12	210	888	10	1,767	328	25	390	0
Number of Expanding Employers in Charleston	2	2	1	4	0	1	2	3	1	3
Number of Jobs Resulting from Expansion	220	340	15	141	0	180	300	268	30	320
Culture & Recreation										
Library Visits Per Capita	4.68	5.00	5.00	5.26	5.50	5.60	6.21	6.38	6.66	6.99
Library Cards In Use	243,570	265,675	265,955	309,033	247,821	277,688	350,320	329,189	355,481	310,417
Environmental Management										
Total Tons of Incinerated Waste	220,115	215,542	220,000	220,000	230,673	222,108	227,383	227,514	211,907	188,626
Parking Garages										
Average Operating Revenue Per Space	1,226	1,198	1,106	1,032	1,124	1,384	1,623	1,777	1,931	2,114
Average Operating Expenditure Per Space	587	569	781	1,059	1,091	685	945	1,115	984	1,852

Sources: Charleston County Budget Performance Measures

Note: Some of the operating indicators have not been documented for a full 10 years.

**COUNTY OF CHARLESTON
CAPITAL BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Automobiles	0	0	56	60	70	77	80	84	91	80
Buildings	0	0	21	21	21	28	28	28	44	97
Public Safety										
Police Cars	0	0	112	149	197	231	290	325	316	332
Fire Trucks	0	0	0	0	6	7	8	11	11	10
Ambulances	0	0	0	0	0	17	23	24	28	22
Judicial										
Magistrate Courts	0	0	13	14	14	14	14	15	15	15
Public Works										
Paved Streets (in Miles)	0	0	0	124	163	186	195	132	129	128
Ground Equipment	0	0	30	31	32	33	43	51	62	60
Heavy Trucks	0	0	17	20	21	21	25	29	35	35
Environmental Management										
Collection/Refuse Trucks	0	0	17	20	23	27	33	37	45	44
Ground Equipment	0	0	10	11	13	13	16	19	24	26
Culture & Recreation										
Libraries, Main and Branches	0	0	16	16	16	16	16	16	16	16

Note 1. GASB 34 was implemented in fiscal year 2002; detailed capital asset information not available prior to that fiscal year.

Note 2. Town of James Island was created in 2007 creating a decrease in county owned infrastructure.

Note 3. Some indicators have been added through the years. Their number start in the year they were added.

Note 4. There was a review of buildings in fiscal year 2008 that reorganized the buildings and assigned more to the general government.

COUNTY OF CHARLESTON, SOUTH CAROLINA
USER FEE RATE HISTORY
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Residential		Non-Residential	
	Single Family Residences (1)	Multi-Family Residences (2)	One-half Cubic Yard or Less Per Week (3)	More Than One-half Cubic Yard Per Week (4)
2009	99	70	86	172
2008	99	70	86	172
2007	89	63	78	155
2006	89	63	78	155
2005	89	63	78	155
2004	89	63	78	155
2003	89	63	78	155
2002	89	63	78	155
2001	89	63	78	155
2000	89	63	78	155

(1) Per residence.

(2) Per unit.

(3) Per property.

(4) Per average number of cubic yards per week.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
USER FEE BILLING HISTORY
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	User Fee Billed	User Fee Revenue	User Fee Applied to Payment of the Disposal Fee	User Fee Applied to Other Purposes	Net Unused User Fee	Year End Working Capital Balance (A)
2000	\$ 19,233,423	\$ 18,924,112	\$ 6,098,808	\$ 8,289,193	\$ 4,536,111	\$ 30,137,179
2001	20,159,507	20,212,264	6,897,169	8,430,582	4,884,513	35,021,692
2002	20,135,112	20,212,756	7,936,098	6,939,688	5,336,970	40,358,662
2003	21,093,317	20,689,423	7,006,550	11,517,490	2,165,383	42,524,045
2004	21,547,735	21,321,884	4,868,276	7,286,315	9,167,293	51,691,338
2005	22,808,943	21,802,327	6,347,904	22,689,167	(7,234,744)	44,456,594
2006	23,203,440	21,464,636	9,846,181	21,138,074	(8,759,515)	35,697,079
2007	23,539,944	23,174,604	10,636,050	10,159,150	2,379,404	38,076,483
2008	26,840,075	26,229,892	10,805,777	11,843,919	4,667,677	42,744,160
2009	27,398,662	26,708,365	11,676,865	24,631,637	(9,600,137)	33,144,023

(A) Working capital balance net of revenue bond related funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
DISPOSAL FEE HISTORY
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Gross Disposal Fee Trust			Sources Used To Pay Disposal Fee Trust					
	Incinerator Operations	Debt Service	Total Disposal Fee	Steam Sales (1)	Electric Sales	Equity Payment	Interest Income	User Fee Applied to Disposal Fee	Total Sources Used to Pay Disposal Fee
2009	\$ 11,000,707	\$11,200,561	\$ 22,203,268	\$ 5,760,181	\$ 4,590,673		\$ 175,549	\$11,676,865	\$ 22,203,268
2008	10,676,239	11,865,294	22,541,533	5,984,861	5,312,276	-	438,619	10,805,777	22,541,533
2007	10,217,188	11,523,258	21,740,446	3,772,500	5,787,124	-	1,544,772	10,636,050	21,740,446
2006	9,742,483	10,015,279	19,757,762	3,430,833	4,698,308	-	1,782,440	9,846,181	19,757,762
2005	7,910,814	7,326,349	15,237,163	3,634,265	4,493,514	-	761,480	6,347,904	15,237,163
2004	7,719,190	5,769,142	13,488,332	3,498,333	4,856,830	-	263,893	4,868,276	13,487,332
2003	7,849,844	6,064,112	13,913,956	3,363,333	3,329,393	-	214,680	7,006,550	13,913,956
2002	8,364,178	6,518,299	14,882,477	3,302,912	3,288,578	-	354,889	7,936,098	14,882,477
2001	6,902,651	6,206,723	13,109,374	2,959,441	2,730,311	104,167	418,286	6,897,169	13,109,374
2000	6,849,886	6,271,086	13,120,972	3,595,295	2,547,428	437,500	441,941	6,098,808	13,120,972

(1) In April 1996 the United States Navy closed its base in Charleston, South Carolina.
Since that date the Navy has been making the minimum required payments under the Navy Steam Agreement.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
KEY FACILITY OPERATIONAL DATA (1)
SOLID WASTE ENTERPRISE FUND**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
MSW Processed (tons)	211,541	212,620	200,682	209,896	207,249	230,673	225,005	226,163	222,110	203,029
Ash Generated (wet tons)	56,127	53,890	54,920	55,813	55,013	55,643	55,700	58,557	58,335	50,700
Ash Generation Rate (percent of MSW)	26.5%	25.3%	27.4%	26.6%	26.5%	24.1%	24.8%	25.9%	26.3%	25.00%
Boiler Availability (percent of time)										
Unit A	89.3%	89.3%	82.4%	80.3%	87.5%	91.5%	89.6%	89.5%	88.6%	83.10%
Unit B	90.7%	90.6%	84.5%	81.7%	84.9%	94.5%	89.6%	91.7%	86.0%	81.70%
Facility Utilization (percent of design steaming rate)										
Steam Sales (Mlbs)	90.5%	90.5%	84.7%	80.6%	87.2%	95.5%	92.4%	93.9%	91.2%	84.60%
Electricity Sales (MW/h)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	45,893	49,168	49,908	54,826	66,557	72,767	66,106	69,853	67,027	59,593

(1) Facility Operating Years from December 1 through November 30 of the year listed.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FINANCIAL ASSURANCE COVERAGE
MUNICIPAL SOLID WASTE LANDFILL FACILITIES**

LOCAL GOVERNMENT FINANCIAL TEST:

1. Financial component:

- A. Bond rating requirement: Investment grade bond rating of no less than BBB.
The County's current general obligation bond ratings are:

Moody's Investors Service	Aa1
Standard & Poors Corporation	AAA
Fitch, Inc.	AA

- B. Financial ratio alternative:

The prescribed financial ratios computed under GAAP are:

1. Ratio of cash and marketable securities to total expenditures - Primary Government

Cash and cash equivalents	\$ 124,653,925
Total expenditures	\$ 453,888,680

Requirement is no less than 5 percent	<u>27.46%</u>
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2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 41,736,997
Total expenditures	\$ 453,888,680

Requirement is no more than 20 percent	<u>9.20%</u>
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2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 358,445,314
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Maximum percent of revenue eligible for self-insured local government financial test	<u>43%</u>
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Limitation on deferred cost of closure	\$ 154,131,485
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Total estimated closure and post-closure costs for County landfills:

Estimated costs from Note III.G. on landfill closure	\$ 43,574,005
Less: Expenditures to date	\$ (22,001,005)
Restricted assets committed to closure	<u>\$ (3,463,000)</u>

Balance of closure costs being deferred	<u>\$ 18,110,000</u>
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Additional permissible deferred cost	<u>\$ 136,021,485</u>
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