

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

WITH

REPORT OF INDEPENDENT AUDITORS



PREPARED BY:

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INTRODUCTORY SECTION





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December 17, 2010

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, 2010.

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 and Company LLP, 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, 2010, 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, 2010, 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 hearing(s) 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. 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. County Council may effect changes in fund totals through amendment to the budget ordinance directive or the County Administrator has the authority to change fund totals, with the exception of the General Fund, if revenues differ from the budget.

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 2009 were reported by the Charleston Metro Chamber Economic Outlook Board in March of 2010. 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 2009 population in the metro area to be 659,191, meaning that the percentage growth from 2000 to 2009 has been 20 percent. The percentage growth is significant as it surpasses the State of South Carolina's growth (13.7 percent) and the United State's growth (9.1 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 31 percent, from 245,940 to 322,308 persons as of 2009. As of June 2010, the Charleston region is experiencing 8.6 percent unemployment, compared to the state of South Carolina at 11 percent.

Housing-A total of 8,702 homes were sold in the Charleston region in 2009, which was an increase of 10 percent from the previous year. The forecast, by the Charleston Metro Chamber of Commerce's Center for Business Research, is for sales to increase by 12.7 percent in 2010.

Retail Sales-Total retail sales for the Charleston area declined 13 percent in 2009 over the previous year, totaling \$16.28 billion with over \$11 billion of that total being spent in Charleston County.

Visitor Industry-The Charleston region attracted over 3.93 million visitors in 2009, generating an economic impact of \$2.8 billion. Hotel occupancy rates were 72.7 percent for the year, and the average daily rate for lodging was \$177.35 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- The Port of Charleston is consistently recognized as one of the nation's most efficient and productive ports. In 2009, the Port of Charleston handled 1.28 million TEUs (twenty foot equivalent cargo containers) and breakbulk cargo totaled 585,013 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 6 percent in 2009. By comparison, passenger activity declined 17 percent in Savannah and 5 percent in Myrtle Beach. Passenger activity is expected to increase with the addition of low cost carrier Southwest Airlines in early 2011. The arrival of Southwest is expected to have an annual economic impact of \$139 million in Charleston and serve 200,000 annual passengers.

BRIEF SECTOR PROFILES

The Port. The Port of Charleston is one of the busiest container ports of the U.S. East and Gulf Coasts and is also one of the nation's most productive and efficient ports. 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 State Ports Authority (SPA) fiscal year 2010 and 2011 capital improvement program calls for \$217.2 million in enhancements and equipment for new and existing facilities.

The Charleston customs district ranks as the nation's ninth largest in dollar value of international shipments, with the Port of Charleston's cargo valued at nearly \$45 billion in 2009. 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 SPA, which operates the Port of Charleston, employs approximately 470 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 280,600 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 Port of Charleston

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 \$2.6 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 U.S. 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 has been impacted by the nationwide recession, however. Charleston recorded 3.93 million visitors in 2009 (down from 4.12 million in 2008), providing an economic impact of \$2.8 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 14,754 at the end of 2009 with a 72.7 percent occupancy rate and an average daily rate of \$177.35 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 tourist 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. The cruise business has an estimated \$37 million annual impact on the Charleston market.

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 \$170 per day in 2009 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 10 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 2,514, with over 1,300 faculty members being employed. In 2009, MUSC received over \$200 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.

Several of the private hospitals are currently in a growth mode. Roper St. Francis Healthcare, a not-for-profit hospital group, broke ground on a new medical campus in the Mt. Pleasant area in May 2008. The 308,000 square-foot, \$164 million campus will include a medical office building (90,000 square feet, \$21 million) and a state-of-the-art hospital (218,000 square feet - \$143 million). The 85-bed full-service hospital is opening on November 1, 2010. The hospital will include 24-hour emergency care, women's services, inpatient and outpatient surgery, and intensive and critical care units. East Cooper Regional Medical Center also opened a new hospital on April 1, 2010, in Mt. Pleasant to replace its existing facility. The new 250,000 square-foot hospital cost \$160 million to build, and is 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.

Manufacturing and Service Companies. Driven by The Boeing Company aircraft assembly facility announcement, fiscal year 2010 proved a historic new high watermark in economic development, as Charleston County businesses broke all previous single-year records, creating 5,057 new jobs and investing \$985.5 million. This performance earned the #1 ranking in both job creation and capital investment among South Carolina's 46 counties, according to the S.C. Department of Commerce. This marked the 13th time, since the inception of the economic development program in 1993, that the County placed in the top ten in one or both of these categories, and the second time the County placed first in both categories. This record-breaking year pushed Charleston County over two previous high watermarks, as its cumulative capital investment reached \$3.8 billion and the creation of over 21,500 new jobs

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 Mount 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



Aerospace and Aviation-The date of October 28, 2009, is now forever etched in Charleston County and South Carolina history books as the day that The Boeing Company announced that it had chosen North Charleston as the location for a second final assembly site for the 787 Dreamliner program. Boeing's selection of Charleston was the largest economic development announcement in South Carolina history, featuring a commitment to create 3,800 direct jobs and make a minimum \$750 million capital investment. Even as the complex goes vertical, a recent economic impact study valued Boeing's future economic impact to South Carolina's economy at \$6.1 billion each year, with an additional \$3 billion to state tax revenues over the next 30 years. The impact on just the Charleston region accounts for \$5.9 billion of the total, including more than 15,000 direct, indirect, and

induced jobs that will be created as a result of Boeing's presence.

Beyond the numbers, the Boeing announcement is a "game-changer" for Charleston, which joins the elite ranks of Everett, WA and Toulouse, France as cities where wide-bodied commercial aircraft are manufactured. The announcement was one of the largest in the United States during 2009, and garnered several accolades from industry publications. *Area Development* magazine awarded the state of South Carolina with one of its prestigious Silver Shovel awards, and *Site Selection* magazine named it among the Top Ten deals of 2009.

Construction of the 787 Final Assembly Facility campus has progressed in earnest since the November 2009 ground-breaking. The ribbon-cutting is slated to occur in July 2011, with aircraft production slated during the first quarter of 2012. The nearly one million square-foot assembly building will be accompanied by a visitor's center, a tail fin and rudder facility, an enlarged employee training center, and a state-of-the-art delivery center where aircraft customers will be entertained, delivery ceremonies held, and where the finished airliners will be presented.

This latter function deserves further mention, because the 787 Delivery Center will present unprecedented cultural and economic opportunities for the Charleston area. Heads of state, aircraft executives, and many guests comprising the international delegations will journey to Charleston to be entertained and to take part in week-long ceremonies marking the delivery of their aircraft fleets. Extensive hospitality industry impacts are anticipated, along with vast opportunities for local service providers and very significant consumerism by the international visitors.

Automotive Manufacturing-In 2010 the automotive sector continued to struggle amidst the recession and the overall slump in consumer auto purchases. Numerous layoffs occurred among the automotive supplier firms in Charleston during 2009, but in 2010 these layoffs tapered off and some firms began recalling employees. The Daimler Sprinter re-assembly facility in Ladson was among those recovering, with Sprinter sales recovering along with the improving financing climate. Cummins Turbo Technologies announced layoffs during late 2008 and spring 2009, but retained a sizeable workforce producing the Dodge Ram turbocharger engine at their Palmetto Commerce Park facility in Ladson. The world leader in cooling systems for the large truck market, Behr Heat Transfer Systems announced an expansion at their North Charleston facility in 2010, adding 75 new employees.

Biotech, Medical & Pharmaceutical Activities-In December 2009, The Innovation Center, a bio-tech incubator

collaboration between the S.C. Research Authority, the Medical University of South Carolina, and the City of Charleston celebrated its grand opening. The Innovation Center is equipped with 11 high-tech labs for use by its entrepreneurial tenants. This facility is being hailed as a critical piece of infrastructure in the commercialization of pharmaceutical discoveries emanating from the Medical University of South Carolina.

Information Technology and Advanced Security - Information technology companies continued to expand in Charleston during 2010, anchored by nationally known companies servicing research and development contracts from the U.S. Navy's Space and Air Warfare Systems (SPAWAR) Center – Atlantic. SPAWAR employs 3,100 at present, and has a \$2.6 billion annual impact in Charleston, according to a 2009 study by the Darla Moore Business School of the University of South Carolina. It affects an additional 24,631 employees in Charleston and across the remainder of the state, and accounts for some 40 percent of all electrical engineers statewide. In May 2010 ground was broken on a new 20,220 square-foot Consolidated Engineering Laboratory. The past year was marked by further growth in the sector, typified by Scientific Research Corporation, which announced that it would add another 150 new employees at its Remount Road facility.

Creative Cluster - Charleston has been a magnet for a growing list of small internet-related companies and movie-making expertise. Lifetime series "Army Wives" has recently completed filming its fourth season in Charleston, and has announced that they will continue to film in Charleston for season five. A study of the creative cluster was recently completed by Regional Technology Strategies to determine its impact on Charleston. The study found that there are 18,698 people working in the creative industries in Charleston. Another 8,617 people are creative workers who are employed in non-creative industries. The hourly wage associated with creative industries in Charleston is \$18.35 per hour, surpassing the region average hourly wage for all jobs of \$17.17. The creative industries contributed \$1.4 billion in gross sales to Charleston's economy in 2009, which was equal to 3 percent of all sales in the region.

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 14,834 students; College of Charleston, with 11,772 students; Charleston Southern University, with 3,236 students; The Citadel, with 3,339 students; and Medical University of South Carolina with 2,514 students.

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's history spans over 300 years 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. Familiar scenes in historic downtown Charleston are sightseeing pedestrians and 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 employ 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 2010 tournament was attended by 95,767 people with a \$25 million economic impact. The Cooper River Bridge Run 10K hosted over 38,000 runners in April 2010. Kiawah Island's world-class Ocean Course has been selected to host the 94th Annual PGA Championship in 2012.

Competitive Posture. Charleston has won numerous accolades in recent years from esteemed business and travel publications. Charleston was named one of the Top Ten Places to visit before you die by Andrew Harper. *Inc.* magazine placed Charleston 6th among mid-sized metros on its list of "Top U.S. Cities for Doing Business." Charleston was among the nation's top ten 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 United States Conference of Mayors ranked Charleston first on its list of Most Livable Cities in June 2009.



Caroline Wozniacki
Family Circle Cup

The Charleston region offers a sizeable real estate portfolio for a mid-sized market, with over 9.3 million square feet in upscale executive buildings and offices. The 19.3 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 17.4 percent. The average lease rate for Class A office space is \$23.13 per square-foot in the region.

Over 20 industrial parks are strategically located throughout the Charleston region. As of the end of 2009, the Charleston region had over 40.1 million square feet of warehouse and flex space. Vacancy stands at 13.8 percent and average lease rates are \$4.18 per square-foot for warehouse space, and \$6.27 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 U.S. including Atlanta, New York, Charlotte, Philadelphia, and Washington D.C.

MAJOR COUNTY INITIATIVES

Charleston County's initiatives in fiscal year 2010 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.

Lawrimore Park Dedicated: Bordered by Meeting Street, the Historic Charleston County Courthouse, the O.T. Wallace Office Building and the Blake Tenement house, Lawrimore Park was named in honor of the late Charleston County Council Chairman, Barrett S. Lawrimore. The park is open to the public. Barrett S. Lawrimore served on Charleston County Council from 1992 to 2004, and as Council Chairman from 1996 to 2001 and again in 2004.

Detention Center Expansion: The Charleston County Detention Center expansion was completed in March 2010. The approximately 332,000 square-foot building increased the total size of the Detention Center to 512,251 square feet. It also increased the inmate capacity by 1,334, which increased the total inmate capacity of the Detention Center to 2,112 (does not include the Work Camp or Juvenile Detention Center). The expansion consists of a four-story jail housing and support building. The first floor contains a new kitchen, laundry, medical clinic and infirmary, a space for processing inmates in and out of the building, administrative space, and one housing unit. The upper three stories contain 20 housing units and administrative office space. All new housing units are dormitory-style, with each unit housing 64 inmates supervised by



one officer. An additional 55 detention officers and staff positions were created to staff the expanded areas, which brings the total number of Detention Center employees to 466. The total cost of the project was \$100 million, which is approximately 40 percent less expensive than a traditional detention facility.

9-1-1 Center Takes Major Steps toward Full Consolidation: This year, after extensive cross-training of former Sheriff's Office and Emergency Medical Services (EMS) dispatchers and technology changes, a pool of call takers began receiving law, fire and medical calls. Prior to the change, calls for the Sheriff's Office would go to one set of dispatchers and calls for EMS and fire would go to another. These dispatchers often juggled gathering information from the caller while providing that information over the radio to responders, which created some confusion and inefficiency. Now, a pool call taker receives a call, determines if it is a law, fire or medical event (or any combination of the three) and asks questions using a computer program designed specifically to address each type of incident. While the call taker gathers information, a computer generated incident report is sent to a dispatcher who is assigned to talk to law, fire or medical responders via radio. This efficiency allows the call taker to remain on the line with the caller to gather more information and to provide additional scene safety and/or medical instructions while responders are being sent by the dispatcher. This change also eliminates some of the delay and potential for lost calls caused by transferring. The Charleston County Consolidated 9-1-1 Center currently dispatches for 11 municipalities and/or special purpose districts.

National Flood Insurance Program Community Rating System: Charleston County Government has received an enhanced flood insurance rating of Class 4 under the National Flood Insurance Program Community Rating System. The new rating translates into significant annual flood insurance cost savings to citizens who live in the unincorporated areas of Charleston County. Under the federal Community Rating System (CRS), a Class 4 rating means that residents who live in the unincorporated areas of Charleston County will receive a 30 percent discount on their flood insurance bill. As of May 2010, an average household saved approximately \$202 per year on flood insurance premiums. Charleston County is one of only four communities in the U.S. that has obtained the elite Class 4 rating, and only four communities in the nation have a better rating than Class 4. Charleston County is the only community east of the Mississippi River that has achieved this level of flood insurance premium discounts, and is the only community with a Class 4 rating or better in the coastal Atlantic hurricane region and the Federal Emergency Management Agency's (FEMA's) Southeast Region (Region IV). The CRS is an insurance rating program that recognizes local governments for activities they perform to reduce the potential for flood losses within the community, and rewards residents and business owners within those communities with flood insurance premium discounts based on the rating of the local government's program.



Two young patrons greet a traveling Lincoln impersonator after a one-act play about the life of our 16th president.

Library Services: Charleston County residents received library services worth more than \$119 million last fiscal year, all part of Charleston County Public Library's (CCPL) continuing effort to ensure residents receive the best possible service and the biggest return on their investment. Many residents sought help at the library for the first time and were part of the nearly 40,000 new library card registrations last year.

Nearly 4 million items were checked out at CCPL last year, and user visits reached approximately 2.3 million. During the summer, more than 16,000 children, young adults and adults took part in Summer Reading, an 85 percent jump in just five years. To meet the demand with a smaller budget, the library implemented multiple actions to save money, streamline services and help patrons become more self sufficient. Other major changes include the addition of downloadable audio books to the library's Web site, www.ccpl.org, the expansion of Wi-Fi capability at ten of the library's 16 locations and the ability for patrons to get reference help through text messages in addition to

telephone, e-mail, instant message, and live online chat.

Transportation Solutions:

The Charleston County RoadWise Program has been extremely busy since voters approved 13 transportation improvement projects through Transportation Sales Tax bond referendums in 2004 and 2006. Since then, every project has gone through at least the public meeting and design phase, with several major projects rolling out for construction in 2010.

The first major bonded project, **Folly Road/Maybank Highway Intersection Improvements**, was completed on James Island. The project, which was completed on schedule, came in under budget at \$4.5 million. The project was requested by the City of Charleston and was approved by voters in the first Transportation Sales Tax bond referendum.



During the past year, construction began on two additional bonded projects.

The **Bee Street and Courtenay Drive** project which is expected to be completed in less than a year, will improve traffic flow into and around the medical campus of MUSC and surrounding areas during peak hours, and provide drainage relief along the Bee Street area. The Bee Street and Courtenay Drive Improvement Project was requested by the City of Charleston and approved by voters in the second Transportation Sales Tax bond referendum. The County is closely coordinating its efforts with MUSC (university and hospital), the Ralph H. Johnson V.A. Medical Center and Roper St. Francis. A major feature of the \$4.8 million project is the conversion of Courtenay Drive from Spring Street to Cannon Street from two-way traffic to one-way southbound traffic that will increase the flow of traffic entering the medical area from U.S. 17.

The **Glenn McConnel Parkway/I-526 Interchange** is expected to be completed by April 2011, at a cost of 6.8 million, consists of improvements to Glenn McConnell Parkway at its interchange with I-526 and intersection with Magwood Road in West Ashley. The project extends along Glenn McConnell Parkway from Orleans Road west to Essex Farm Drive (just beyond Charlie Hall Boulevard) and includes adding an additional lane in each direction and intersection improvements. The County is working to minimize effects on Bon Secours St. Francis Hospital and other business impacted by the project. Pedestrian and bicycle access is an important component of the project, with a five-foot-wide concrete sidewalk added along Magwood Drive to connect to the existing sidewalk and crossing signals installed on both sides of Glenn McConnell Parkway to allow for safe crossing.

Other Projects Improving Transportation: Many additional road improvements are being implemented by Charleston County Government through annual funding allocated by Charleston County Council to smaller projects throughout the community. Including roads and streets which have been resurfaced, 193 projects have been completed by the program so far. Projects are funded in the following categories: bicycle and pedestrian paths; drainage improvement projects; intersection improvement projects; and local paving projects. The projects include the completion of the I-526 East and International Boulevard turn lane, the U.S. 17 and Davidson Road intersection, and improvements to SC61 and Tobias Gadson Boulevard intersection.

Protecting Our Resources:

Urban Parkland and Greenspace: During fiscal year 2010, County Council approved rural applications that were submitted to the Greenbelt Bank Board during four funding cycles. Overall, the Greenbelt Bank Board made recommendations to Charleston County Council to fund 18 projects that resulted in: 4,262 acres protected (rural greenbelt land, Francis Marion Forest land, and rural wetlands) and \$7.3 million in rural funding. Of the rural funds awarded, \$3 million will be used to purchase 650 acres for public use. Rural projects include areas such as the Ashley River Historic District, Awendaw, Edisto Island, McClellanville, and Ravenel.

Also during fiscal year 2010, the City of North Charleston and the Community Action Group for Encouragement (CAGE) 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. Council approved \$374,000 for three urban greenbelt projects, which resulted in six acres preserved for urban parks and greenspace.



U.S. Forest Services Honors County for Greenbelt Conservation

Partnership: The Southern Region of the U.S. Forest Service in Atlanta honored members of Charleston County Government's Greenbelt Program and staff of The Nature Conservancy of South Carolina with a Partnership Award for innovation and leadership in partnering to acquire critical landholdings. According to the Forest Service, the granting of funds from a county government to the federal government was unprecedented. The Forest Service applied for and received greenbelt grant funds of \$200,000 for the Murrell tract, a 96-acre tract between two wilderness areas. Closing on the property occurred on September 20, 2007. The Nature Conservancy

applied for and received grant funds of \$632,700 for the Bulls Bay tract, a 196-acre total in-holding threatened by development along the Highway 17 corridor.

Charleston County Greenbelt funds of over \$4.8 million have protected more than 1,100 acres for public access in the Francis Marion Forest. The partnership created between The Nature Conservancy, the County's Greenbelt Program, and the Forest Service will continue to achieve positive outcomes for residents of Charleston and nearby counties, as well as the visiting public.

County Expands Curbside Recycling to Include Cardboard and All Plastics: As part of County Council's Green Initiatives program aimed at increasing the County's recycling levels to 40 percent, the County expanded the type of materials it accepts. The County now accepts corrugated cardboard, under three by three feet in size, as part of its residential curbside recycling program. In addition to cardboard, all paper items to include envelopes with plastic windows, gift wrapping paper, etc. are now being accepted.

The County also announced that it now accepts all containers with the plastic designation #1-7. That means all plastics, except plastic wrap, plastic bags (called plastic film within the recycling industry) and styrofoam, will be collected and marketed. Previously, only #1 and #2 plastic bottles were collected, sorted and packaged at the Charleston County Recycling Center.

Charleston County Recertified as "TsunamiReady" and "StormReady" by NOAA's National Weather Service: Charleston County Government has successfully completed a set of rigorous warning and evacuation criteria necessary to renew the County's distinction of being certified as TsunamiReady and StormReady. The County has been certified as being StormReady since 2001 and TsunamiReady since 2006, when the certifications were first available.



Both the StormReady and TsunamiReady community preparedness programs use a grass-roots approach to help communities develop plans to handle tsunamis, local severe weather, wave impacts and flooding threats, and help communities inform citizens of threats associated with each of these dangers.

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 1.0 percent for the year ending June 30, 2010. 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 \$241,486,771 at June 30, 2010, and 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.

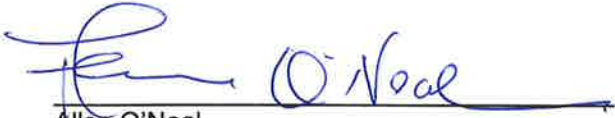
Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the 22nd consecutive year to Charleston County for its fiscal year 2009 Comprehensive Annual Financial Report. 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.

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.

Charleston County also received its 21st consecutive Distinguished Budget Presentation Award for its fiscal year 2010 budget from 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.

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, 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, Catherine Ksenzak and Scott Bartley 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 from Grants Administration; Jackie Proveaux from the Public Works Department; Danica Goff of the Public Information Office; and Ashley Keene of the Economic Development Office. Much appreciation also goes to Dawn Murray of the Finance Department who provided administrative support for the financial notes and the Management's Discussion and Analysis, as well as support to the external auditors. Substantial assistance also came from the staff members of the County Administrator and Assistant County Administrator for Finance. Thank yous are also extended to the staff of Scott and Company LLP, the external auditors, for their efforts in assisting the County produce 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.

A handwritten signature in blue ink that reads "Allen O'Neal". The signature is written in a cursive style with a long horizontal line extending to the right.

Allen O'Neal
County Administrator

A handwritten signature in blue ink that reads "Keith Bustraan". The signature is written in a cursive style with a long horizontal line extending to the right.

Keith Bustraan
Assistant County Administrator for Finance

A handwritten signature in blue ink that reads "Corine Altenhein". The signature is written in a cursive style with a long horizontal line extending to the right.

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, 2009

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 handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

Charleston County, South Carolina Organizational Chart County Departments

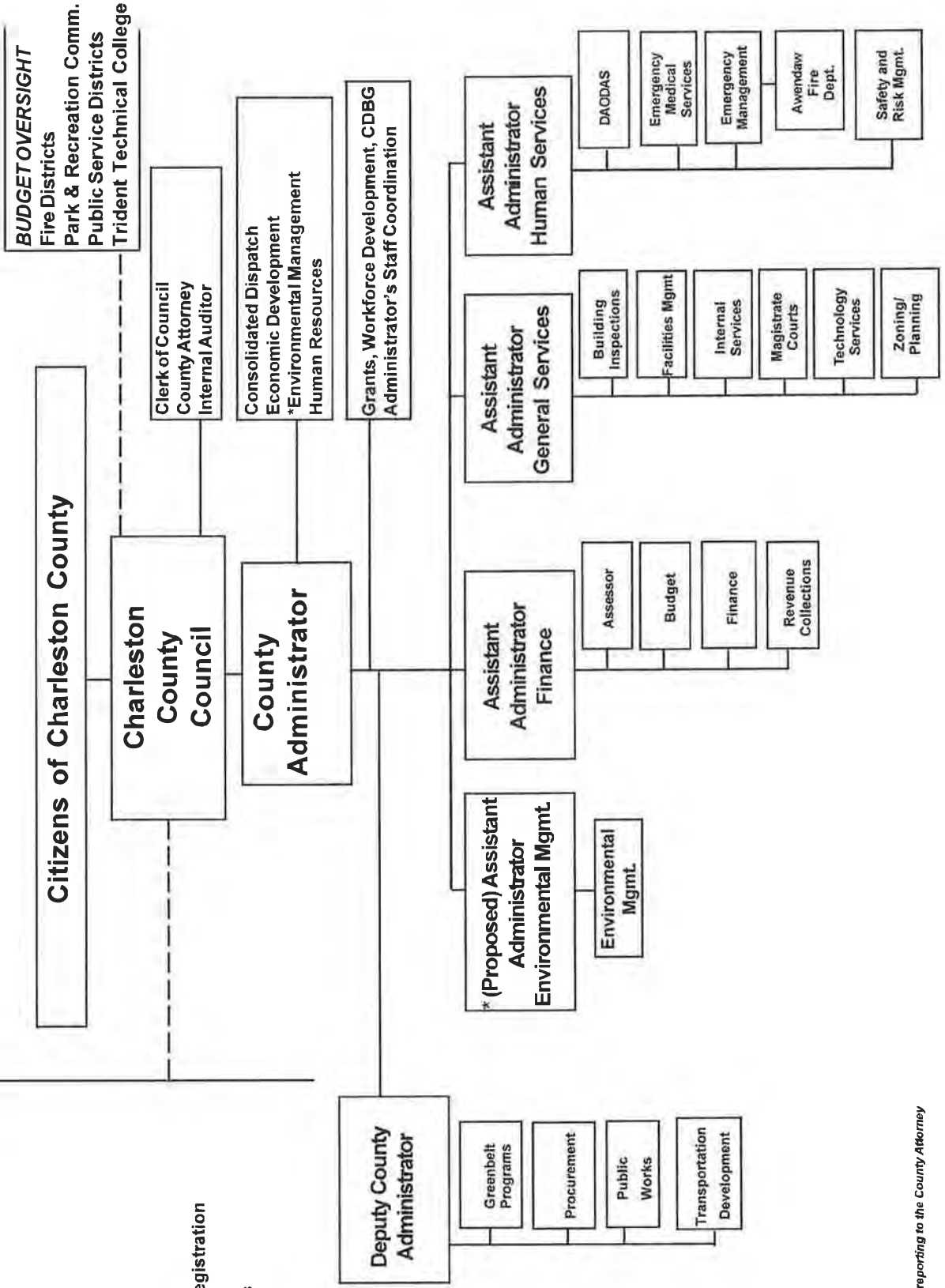
Effective 6/03/2010

ELECTED

- Auditor
- Clerk of Court
- Coroner
- Probate Court
- RMC
- Sheriff
- Solicitor
- Treasurer

APPOINTED

- Elections/Voter Registration
- Library Board
- Magistrate Courts
- Master-in-Equity
- Public Defender
- Veterans Affairs



* currently reporting to the County Attorney

**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2010**

MEMBERS OF COUNTY COUNCIL

	<u>Number of Years In Office</u>	<u>Term Expiration Date</u>	
Teddie E. Pryor	5½	12/31/2010	Chairman, District 5
J. Elliott Summey	1½	12/31/2012	Vice Chairman, District 3
Joe McKeown	4	12/31/2010	District 1
Henry D. Schweers	3½	12/31/2010	District 2
Henry E. Darby	5½	12/31/2012	District 4
A. Victor Rawl	1½	12/31/2012	District 6
Colleen T. Condon	5	12/31/2012	District 7
Curtis B. Inabinett	5½	12/31/2010	District 8
Paul R. Thurmond	3½	12/31/2010	District 9

ELECTED OFFICIALS

Peggy Moseley	18	06/30/2012	Auditor
Julie J. Armstrong	18½	12/31/2012	Clerk of Court
Rae Wooten	4	12/31/2012	Coroner
Irvin G. Condon	16½	12/31/2010	Probate Court
Charlie Lybrand	16½	12/31/2010	Register Mesne Conveyance
James A. Cannon, Jr.	22½	12/31/2012	Sheriff
Scarlet A. Wilson	3	12/31/2012	Solicitor
Andrew Smith	13	06/30/2012	Treasurer

OTHER OFFICIALS

	<u>Number of Years With County</u>	<u>Years In Current Position</u>	
Allen O'Neal	1½	1½	County Administrator
Keith D. Bustraan	23½	9	Assistant Administrator for Finance
Walter L. Smalls	11	4	Assistant Administrator for General Services
Jennifer Miller	24	3	Assistant Administrator for Human and Environmental Services
W. Kurt Taylor	19	½	Deputy County Administrator
Corine Altenhein	20	3	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 aggregate 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, 2010, 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, 2010, 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, 2010, 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.

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, 2010, 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, 2010.

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 for one of its discretely presented component units, to correct certain errors made in the County's financial statements for the year ended June 30, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, 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.

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

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 do not express an opinion or provide any assurance on it.

Scott and Company LLP

Columbia, South Carolina
December 17, 2010

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, 2010. 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 \$191,507 at June 30, 2010, comprised of \$879,263 in total assets offset by \$687,756 in total liabilities.
- The County's unrestricted net assets were (\$10,861) at June 30, 2010. The negative balance resulted from expenses in the transportation sales tax fund. The County issued transportation sales tax general obligation bonds in 2007 and 2008. The proceeds from these bonds are used for state and municipal road projects, and municipal and special purpose district greenbelt acquisitions. The assets created by these expenses are not Charleston County assets, even though the County is responsible for the debt used to acquire these assets. The debt service on these bonds is paid from the ½ percent transportation sales tax.
- The government's total net assets decreased by \$36,789 during the fiscal year ended June 30, 2010, with a \$35,922 decrease resulting from governmental activities and an \$867 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 \$292,933, which is a \$26,804 decrease from the prior year. Approximately 20 percent or \$59,966 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 \$49,869 or approximately 33 percent of the total general fund expenditures. Unreserved fund balance is comprised of \$7,588 of designations for rainy day, \$2,695 of designations for subsequent years' appropriations, and \$39,586 of undesignated fund balance.
- Charleston County's total assets decreased by \$4,124, while total liabilities increased by \$32,665.

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, 2010. 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 environmental management (recycling and waste disposal) and parking garages. 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 \$191,507 at the close of fiscal year 2010. This was a decrease of \$36,789 or 16.1 percent during fiscal year 2010.

The largest portion of the County's net assets (\$128,820 or 67.3 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 \$11,562 or 6.0 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 are (\$10,861), resulting from expenditure of capital proceeds in the transportation and road sales tax special revenue fund. These expenses were for state and municipal roads projects and municipal and special purpose district greenbelt acquisitions. The assets created by these expenses are not Charleston County's, even though the County is responsible for the debt used to pay for these assets.

An additional portion of the County's net assets, \$61,986 or 32.4 percent, represents resources that are subject to external restrictions on how they may be used.

At the end of 2010 the County had positive balances in three of the four categories of net assets for the primary government as well as all four categories for 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 2007 transportation and road sales tax general obligation bonds. These proceeds were spent on greenbelt purchases, where the asset does not belong to the County and on non-county road projects, which are also not recorded as County assets.

Charleston County's Net Assets
June 30, 2010
(Recapped from page 39)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$446,394	\$473,705	\$ 81,680	\$ 89,434	\$528,074	\$563,139
Capital assets	306,907	276,214	44,282	44,033	351,189	320,247
Total assets	<u>\$753,301</u>	<u>\$749,919</u>	<u>\$125,962</u>	<u>\$133,467</u>	<u>\$879,263</u>	<u>\$883,386</u>
Long-term liabilities						
outstanding	\$485,157	\$438,020	\$ 15,673	\$ 17,721	\$500,830	\$455,741
Other liabilities	179,417	187,250	7,509	12,099	186,926	199,349
Total liabilities	<u>\$664,574</u>	<u>\$625,270</u>	<u>\$ 23,182</u>	<u>\$ 29,820</u>	<u>\$687,756</u>	<u>\$655,090</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 98,334	\$ 99,410	\$ 30,486	\$ 27,790	\$128,820	\$127,200
Restricted for future construction	11,043	9,233	519	9,201	11,562	18,434
Restricted - other	20,672	17,264	41,314	30,774	61,986	48,038
Unrestricted	<u>(41,322)</u>	<u>(1,258)</u>	<u>30,461</u>	<u>35,882</u>	<u>(10,861)</u>	<u>34,624</u>
Total net assets	<u>\$88,727</u>	<u>\$124,649</u>	<u>\$102,780</u>	<u>\$103,647</u>	<u>\$191,507</u>	<u>\$228,296</u>

The County's net assets decreased by \$36,789 during fiscal year 2010. The governmental activities had a decrease in net assets of \$35,922. This is due primarily to expenses in the transportation and road sales tax special revenue fund. During fiscal year 2010 approximately \$20,500 of proceeds from the 2006 and 2007 transportation sales tax general obligation bonds (GOBs) were used by the Charleston County Park and Recreation Commission, municipalities, and other special purpose districts to acquire greenspace within the County. This property is not an asset of Charleston County. In addition, approximately \$16,700 of proceeds from the 2006 and 2007 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 \$867 resulting primarily from activity in the environmental management fund. The incinerator contract ended in November 2009. The debt for the incinerator included a balloon payment which the County paid through the operator's fee. Offsetting this decrease was an increase in net assets in the parking garages fund due to a transfer in to fund repairs to the garages.

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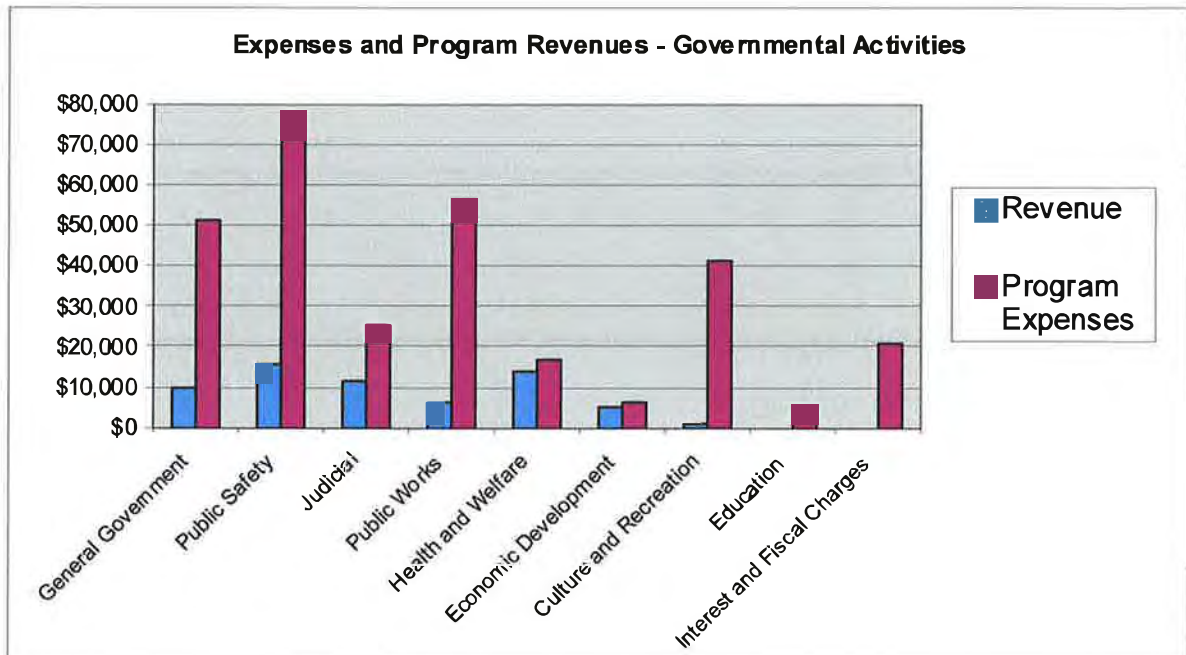


County of Charleston, South Carolina
Changes in Net Assets (Recapped from pages 40 and 41)
For the Fiscal Year Ended June 30, 2010

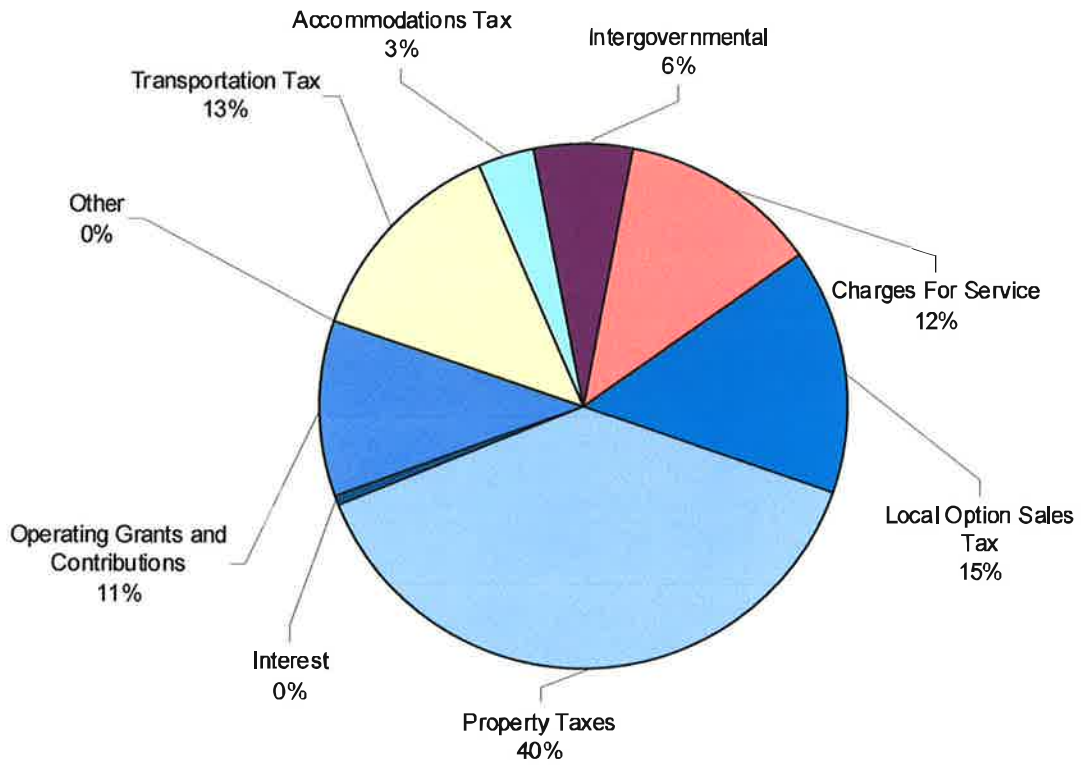
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 33,333	\$ 37,585	\$ 42,917	\$ 49,363	\$ 76,250	\$ 86,948
Operating grants and contributions	29,233	18,703	284	2,662	29,517	21,365
General Revenues:						
Property taxes	104,956	96,622	-	-	104,956	96,622
Other taxes and fees	87,432	89,958	554	554	87,986	90,512
State aid to political subdivisions	14,223	17,037	-	-	14,223	17,037
Unrestricted investments earnings	1,319	1,174	102	748	1,420	1,922
Gain on sale of capital assets	-	-	46	44	46	44
Total Revenues	<u>270,496</u>	<u>261,079</u>	<u>43,903</u>	<u>53,371</u>	<u>314,398</u>	<u>314,450</u>
Program Expenses:						
Governmental Activities:						
General government	51,006	57,001	-	-	51,006	57,001
Public safety	77,891	79,005	-	-	77,891	79,005
Judicial	25,578	28,605	-	-	25,578	28,605
Public works	56,597	39,606	-	-	56,597	39,606
Health and welfare	16,553	13,211	-	-	16,553	13,211
Economic development	6,078	858	-	-	6,078	858
Culture and recreation	41,391	48,254	-	-	41,391	48,254
Education	5,720	5,652	-	-	5,720	5,652
Interest and fiscal charges	21,110	20,935	-	-	21,110	20,935
Business-Type Activities:						
DAODAS	-	-	8,408	8,977	8,408	8,977
E-911 communications	-	-	1,200	1,096	1,200	1,096
Environmental management	-	-	33,738	43,209	33,738	43,209
Parking garages	-	-	1,969	2,149	1,969	2,149
Radio communications	-	-	2,227	2,153	2,227	2,153
Revenue collections	-	-	1,721	1,642	1,721	1,642
Total Expenses	<u>301,924</u>	<u>293,127</u>	<u>49,263</u>	<u>59,226</u>	<u>351,187</u>	<u>352,353</u>
Excess (deficiency) of revenue over (under) expenses	(31,429)	(32,048)	(5,360)	(5,855)	(36,789)	(37,903)
Transfers	(4,493)	(4,338)	4,493	4,338	-	-
Increase (Decreases) in Net Assets	<u>(35,922)</u>	<u>(36,386)</u>	<u>(867)</u>	<u>(1,517)</u>	<u>(36,789)</u>	<u>(37,903)</u>
Net assets, beginning	124,649	161,035	103,647	105,164	228,296	266,199
Net Assets, ending	<u>\$88,727</u>	<u>\$124,649</u>	<u>\$102,780</u>	<u>\$103,647</u>	<u>\$191,507</u>	<u>\$228,296</u>

Governmental Activities. Governmental activity decreased the County's net assets by \$35,922. Key elements of the decrease are:

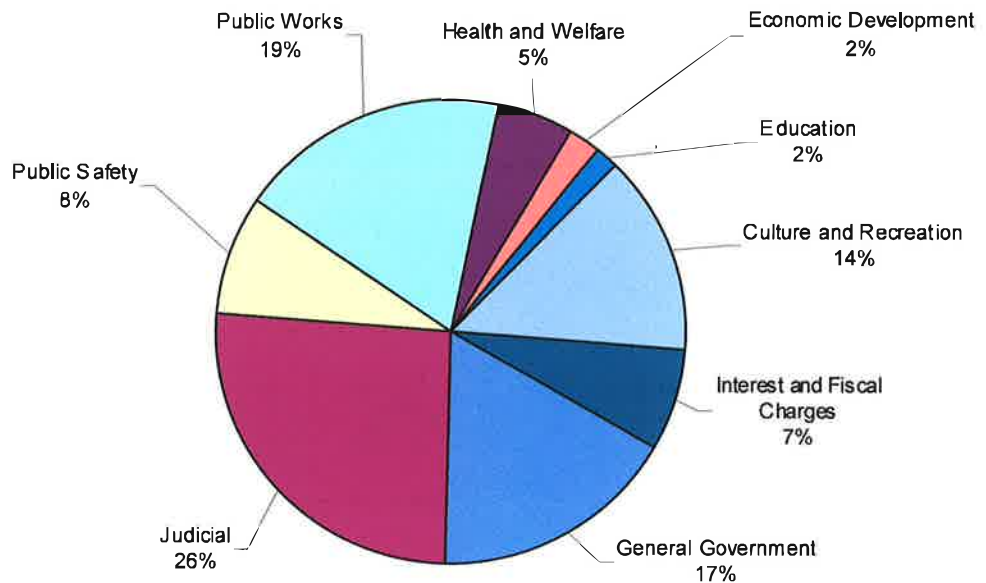
- Total expenses for the year increased by \$8,797 (3.0 percent). Public works expenses increased \$16,991 reflecting increased spending on the road projects funded from the transportation and roads sales tax special revenue fund. Health and welfare shows an increase of \$3,342 resulting from American Recovery and Reinvestment Act (ARRA) grant funding for workforce training and community development programs. These increases are offset by decreased expenses in culture and recreation of \$6,863 which reflects a reduction of \$6,300 in the greenbelts program. General government expenses are reduced \$5,995. This is made up of a reduction of \$2,138 in the general fund primarily due to the continued budget freeze. In addition general government expenses were reduced \$1,000 in the transportation and road sales tax special revenue fund.
- Charges for services decreased by \$4,252 (11.3 percent) during the year due to the reclassification of general fund administrative charges to the enterprise funds from revenue to reimbursement for fiscal year 2010.
- State aid to subdivisions decreased by \$2,814 (16.5 percent) due to the impact of the recession on state revenues.
- Other taxes and fees decreased by \$2,526 (2.8 percent). Transportation sales taxes decreased by \$1,177 and the local option sales taxes decreased by \$1,130. These decreases can be attributed to lower spending due to the recession.
- Operating grants and contributions increased by \$10,530 (56.3 percent) during the year. This is due to pass-through grant expenditures of \$5,150 in economic development. This grant was from the Department of Commerce to Boeing to reimburse for site preparation for the new plant. In addition, the County received \$3,800 in ARRA grant funding for workforce training and community development programs. Finally, there was an increase in public safety of \$2,244 due to growth in federal prisoner per diem of \$1,233 and the receipt of \$979 of ARRA grant funds.
- Property taxes increased by \$8,334 (8.6 percent) due to a reduction in the local option sales tax credit on the 2009 tax bills. The local option sales tax is a one percent tax on sales in the county. Revenue generated by the tax is applied against property tax bills as a credit. The recession drastically reduced sales tax collections in fiscal years 2009 and 2010, resulting in a reduction of the LOST credit on the tax bill.



Revenues by Source - Governmental Activities

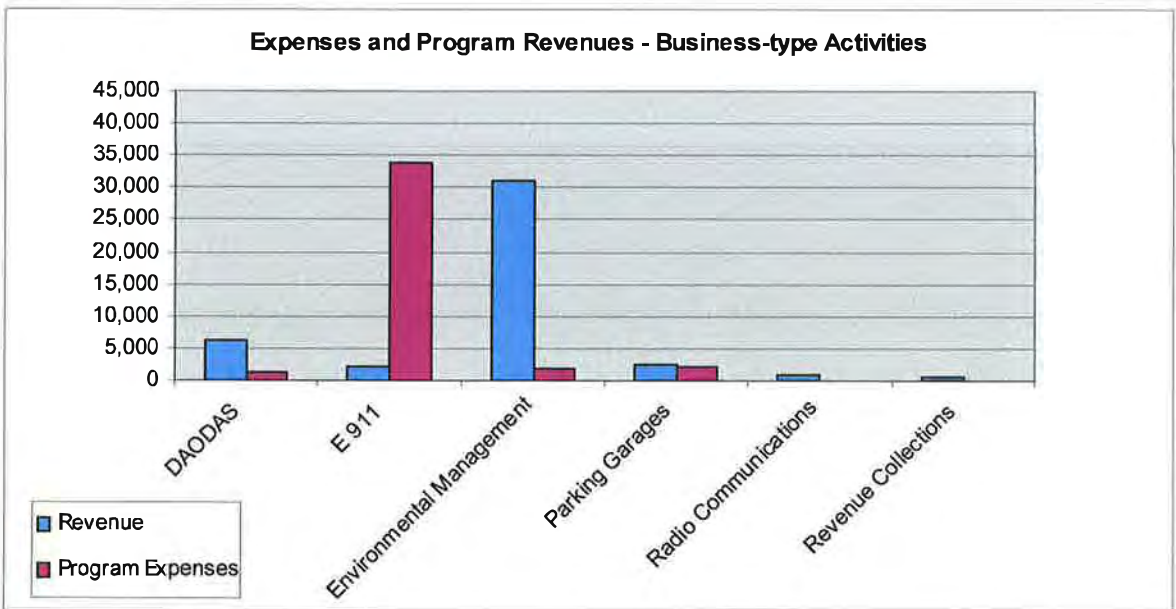
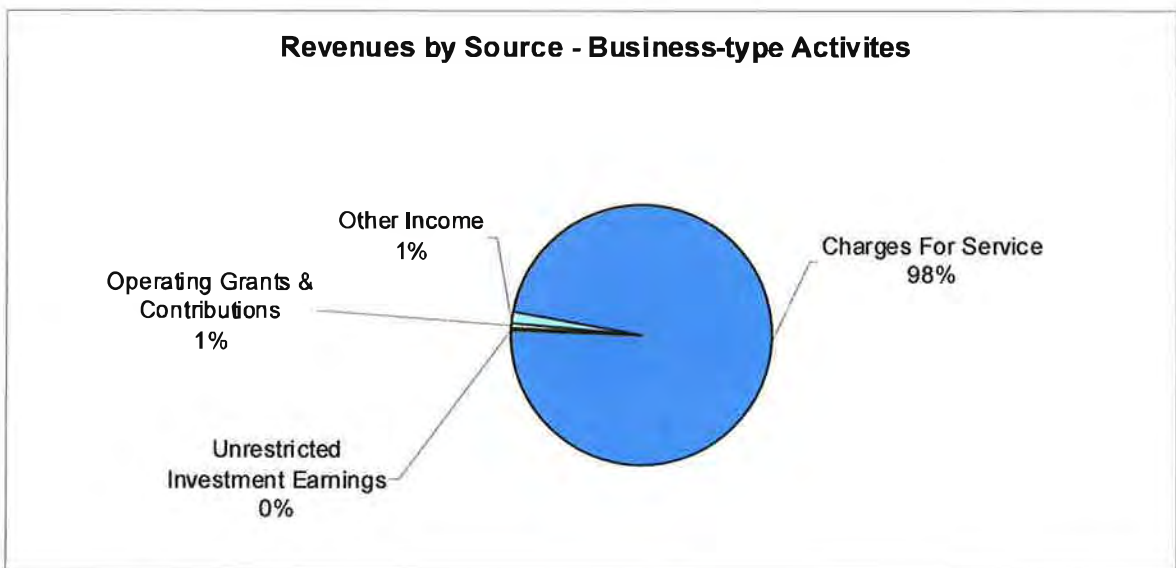


Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities decreased the County's net assets by \$867. The key elements of this decrease were:

- Environmental management had a decrease in net assets of \$2,731 which is primarily due to the expiration of the Navy steam contract. The final payment for operator's debt made January 1, 2010, included a balloon payment which was charged to the County through the operator's fee.
- Revenue collections showed a decrease in net assets of \$1,065. This fund provides service to Charleston County and certain municipalities. The elimination of internal revenues results in a decrease in net assets.
- The parking garages showed an increase in net assets of \$1,731 which is primarily due to a transfer in from the general fund to pay for repairs to the parking garages.
- E-911 communications had an increase in net assets due to a reimbursement from the state for maintenance costs for the portion of the E-911 system that allows the dispatch to identify the location of emergency calls made from cell phones.



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 \$292,933, a decrease of \$26,804 in comparison with the prior year. Of this decrease amount, \$49,571 resulted from the transportation and road sales tax special revenue fund. This decrease was offset by an increase of \$10,048 in the GOB capital projects fund. In addition, the ending fund balance for the general fund increased \$6,884. Finally, the debt service fund had an increase of \$3,409 and the nonmajor capital projects funds had an increase of \$1,810.

Approximately 20.5 percent or \$59,965 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. The reserved fund balances are: 1) reserved for transportation and roads sales tax special revenue fund projects (\$109,412), 2) to liquidate contracts and purchase orders of the prior period (\$62,552), 3) to pay for capital projects as restricted by bond covenants (\$39,388), 4) to pay debt service (\$20,673), or 5) reserved for inventories and prepaid items (\$943).

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 \$49,869 while total fund balance reached \$52,596. 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 33.4 percent of total general fund expenditures, while total fund balance represents 35.2 percent of that same amount. Undesignated fund balance was \$39,586 or 26.5 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 \$6,884 during the current year. Highlights of the general fund were as follows:

- An increase of \$6,500 in property and local option sales taxes which is 6.0 percent over the previous year. This increase is due to a reduction in the local option sales tax credit on the 2009 tax bills. The local option sales tax is a one percent tax on sales in the county. Revenue generated by the tax is applied against property tax bills as a credit. The recession drastically reduced sales tax collections in fiscal years 2009 and 2010, resulting in a reduction of the LOST credit on the tax bill.
- An increase of \$1,584 (9.3 percent) in service charges. This reflects an increase in revenues generated by the Master-in-Equity due to foreclosures. In addition, EMS revenues increased due to higher collection rates through the debt set-a-side program. This program allows governmental entities to receive payment on aged bills from clients' state tax refunds.
- A decrease in expenses of \$6,005 (3.9 percent). Public safety expenses dropped \$2,565 primarily due to a reimbursement in EMS for tourist related services. In fiscal year 2009 this was recorded as revenue rather than a reimbursement. General government expenses fell \$2,138 (5.0 percent). These reduction were primarily capital project and facilities management and technology services departments. The reduction in spending results from less available resources due to the recession.

- A decrease of \$1,456 (6.5 percent) in intergovernmental revenues due to reduced funding from the state. State aid to political subdivisions was reduced \$2,814 for fiscal year 2010 due to state budget issues. Offsetting this decrease is an increase in federal prisoner per diem of \$1,223. The expansion of the detention center increased the County's inmate capacity allowing the County to house more federal prisoners than in previous years.
- A decrease of \$3,022 in transfers in which reflects the reclassification of funding from the Accommodations Tax fund. In fiscal year 2009 this funding was recorded as a transfer. In fiscal year 2010 the funding was recorded as a reimbursement.
- An increase of \$3,659 in transfers out due to a transfer to the capital projects fund out of available fund balance.

Capital Projects Funds. Capital projects funds have a combined total fund balance of \$39,387. These funds are 100 percent reserved either to cover existing encumbrances or for future capital construction. The fund balance for GOB Capital Projects fund is \$28,344 and is shown as a major fund. The nonmajor funds total \$11,043 and are shown on pages 131 through 132 and 138. The fund balance for the capital projects funds increased \$11,858 from fiscal year 2009. This resulted from the general obligation bond issue of \$50,000 in new money done in August 2009. This is offset by expenditures of \$40,632 primarily for the completion of the addition to the detention center.

Special Revenue Funds. The special revenue funds have a combined total fund balance of \$179,461. The transportation and road sales tax special revenue fund balance is \$156,615 and is shown as a major fund. The remaining fund balance of \$23,662 is all in the nonmajor funds. The fund balance for the nonmajor special revenue funds is made up of \$10,097 designated for subsequent years' appropriations, and \$13,565 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 \$49,771 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 the enterprise funds at June 30, 2010, are \$82,026 (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 \$69,228. The nonmajor proprietary funds have total net assets of \$12,798. 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 enterprise funds reported combined ending net assets of \$82,026 (before internal eliminations), a decrease of \$3,147 in comparison with prior year. The environmental management fund accounted for \$4,202 of this decrease. Offsetting this is an increase in net assets of \$1,740 in the parking garages fund. The fiscal year 2010 budget included the use of \$29,157 of net assets primarily in environmental management for landfill operations and the final payment for operator's debt.

General Fund Budgetary Highlights

Over the course of the year, County Council did not amend the budget ordinance; however, the Administrator did adjust the budget in accordance with the guidelines contained in the budget ordinance. Actual revenues and transfers were \$6,617 over budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$2,910. Higher than expected foreclosures increased revenues by \$1,312 in the Master-In-Equity's Office. In addition, \$793 more than was estimated for recording property sales was received in the Register of Mesne Conveyance's Office.

Intergovernmental revenues were over budget by \$2,177. Additional funds were received for housing more federal prisoners in the expanded detention center.

- Interfund transfers in exceeded budget by \$1,623. This resulted from transferring maintenance funds from the capital projects funds to the general fund. The amounts transferred to the general fund were designated by Council for future maintenance.

Actual expenditures and transfers were \$7,872 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Capital Projects and Facilities Management were \$1,220 below budget largely due to savings on utilities. The County's energy conservation measures contributed to the savings along with a slightly later than expected opening of the detention center expansion.
- The Sheriff's Office was \$1,132 below budget. This was the result of reduced personnel costs at the detention center due to a staggered transition of prisoners into the detention center expansion.
- Public Works department was \$1,105 below budget due to the Administrator's hiring delay and freeze on positions under his reporting authority.
- Consolidated Dispatch was \$608 below budget due to lower personnel costs during the transition from other local governments.

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, 2010, amounted to \$351,189 (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 9.7 percent and is primarily due to the expansion to the County's detention center which was completed in fiscal year 2010.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land and easements	\$ 16,808	\$ 16,334	\$ 3,951	\$ 3,951	\$ 20,759	\$ 20,285
Buildings	243,276	144,069	16,878	17,440	260,154	161,509
Improvements other than buildings	780	829	253	305	1,033	1,134
Machinery and equipment	27,540	30,084	6,870	6,253	34,410	36,337
Infrastructure	15,382	16,552	-	-	15,382	16,522
Construction in progress	<u>3,121</u>	<u>68,377</u>	<u>16,329</u>	<u>16,084</u>	<u>19,451</u>	<u>84,461</u>
Total	<u>\$ 306,907</u>	<u>\$ 276,215</u>	<u>\$ 44,282</u>	<u>\$ 44,033</u>	<u>\$ 351,189</u>	<u>\$ 320,248</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 84 through 88 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 \$462,144. Of this amount, \$406,591 comprises debt backed by the full faith and credit of the government, \$49,179 is comprised of certificates of participation secured by the capital assets constructed with their proceeds, and \$6,374 is comprised of revenue bond debt secured solely by solid waste user fees.

In addition to the bonded debt Charleston County 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, 2010, this obligation is recorded at a net present value of \$33,152 using a discount rate of 5.7%. 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>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 406,591	\$ 363,445	\$ -	\$ -	\$ 406,591	\$ 363,445
Certificates of participation	41,757	47,313	7,422	8,418	49,179	55,731
Revenue bonds	-	-	6,374	7,824	6,374	7,824
Intergovernmental note payable	<u>33,152</u>	<u>34,192</u>	<u>-</u>	<u>-</u>	<u>33,152</u>	<u>34,192</u>
Total	<u>\$ 481,500</u>	<u>\$ 444,950</u>	<u>\$ 13,796</u>	<u>\$ 16,242</u>	<u>\$ 495,296</u>	<u>\$ 461,192</u>

The County's total bonded debt increased by \$35,144 (8.2 percent) during the current fiscal year. The County issued general obligation bonds of \$70,775 in August 2009. 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.

During May 2010, Moody's Investors Service recalibrated its long-term U.S. Municipal bond ratings in an effort designed to remove the separate municipal rating scale and convert all ratings to their global rating scale system. This effort resulted in the Charleston County bond rating being upgraded from Aa1, Moody's second highest rating available, to AAA, Moody's highest rating available. In April 2006, Charleston County's municipal bond rating for general obligation debt was upgraded from AA+ to AAA by Standard and Poor's Corporation. These upgrades are a direct result of the County's continued strong financial performance and emphasis on conservative fiscal management. 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 \$238,980. The outstanding debt at June 30, 2010 subject to the debt limitation is \$184,650. This would indicate that the County has not exceeded their limit.

Additional information on the County's long-term debt can be found in Note III. I. on pages 91 through 105 of this report.

Economic Factors and Next Year's Budget Rates:

The fiscal year 2011 general fund budget is a balanced budget. Total disbursements are \$168,984, an increase of \$1,532 or 0.9 percent from the prior year. The budget includes the use of \$8,594 of fund balance; \$2,487 for capital projects and for \$6,107 for operating costs to avoid property tax increases as the local economy recovers from the recession. The use of \$6,107 was made possible by Council reducing the Rainy Day Fund by \$6,107 in the general fund and establishing a Rainy Day Fund in a like amount in the environmental management fund where the majority of spending for the County's natural disasters would occur. The millage rate for both the general fund and the debt service fund remains at 46.8 mills, unchanged from fiscal year 2010. The local option sales tax credit also remains unchanged from the prior year.

The general fund budgeted revenues for fiscal year 2011 decreased by \$1,011 or 0.6 percent from 2010. The major changes are:

- Property tax revenues are anticipated to decrease \$2,220 or 3.1 percent. This decrease reflects a decline in the value of motor vehicles and an increase in the number of appeals requested by property owners.
- State aid to local governments is decreased \$2,113 or 14.8 percent. Due to the recession and the resulting challenges with State revenues, the general assembly voted to depart from the prescribed formula for funding local governments for fiscal year 2011.
- Local government contributions for Consolidated Dispatch increased \$2,161 or 432 percent. This reflects an intermediate stage in the transition of dispatch from other local governmental entities to the County where local governments continue funding dispatch although the costs are incurred by the County.

The general fund budgeted disbursements for fiscal year 2011 are increased \$1,532 or 0.9 percent from fiscal year 2010. The major changes for fiscal year 2011 are:

- The Consolidated Dispatch budget is increased \$2,229 to reflect the transfer of positions and their related costs from other governmental entities to the County.
- The Sheriff's Detention Center budget is increased \$1,505 for the full-year impact of the detention center expansion which included additional staffing and operating costs.
- The Public Works budget is decreased \$1,092 as the result of service reductions and departmental efficiencies.

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, 2010

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Non-pooled cash and cash equivalents	\$ 5,171,637	\$ 316,561	\$ 5,488,198	\$ 36,263,403
Pooled cash and cash equivalents	141,801,409	14,238,147	156,039,556	-
Pooled investments	112,256,608	-	112,256,608	-
Non-pooled investments	-	-	-	3,583,809
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash - current portion	-	1,530,467	1,530,467	-
Receivables (net of allowances for uncollectibles)	177,793,861	18,821,091	196,614,952	37,835,173
Due from primary government	-	-	-	509,611
Internal balances - current	445,477	(445,477)	-	-
Inventories	1,234,136	-	1,234,136	606,625
Prepaid items and deposits	-	-	-	564,033
Note receivable - internal balances	(280,306)	280,306	-	-
Deferred issuance costs	2,009,840	262,524	2,272,364	211,233
Restricted assets - non-current:				
Temporarily restricted:				
Cash and cash equivalents	1,170,131	46,676,354	47,846,485	3,444,091
Non-pooled investments	4,665,954	-	4,665,954	-
Capital assets, net of accumulated depreciation:				
Land and easements - nondepreciable	16,807,789	3,950,930	20,758,719	59,677,273
Construction in progress - nondepreciable	3,121,481	16,329,363	19,450,844	2,599,709
Infrastructure - nondepreciable	8,560,117	-	8,560,117	-
Artwork and other - nondepreciable	-	-	-	87,365
Buildings	243,276,039	16,878,128	260,154,167	59,877,900
Improvements other than buildings	779,812	253,646	1,033,458	19,610,895
Machinery and equipment	27,540,059	6,870,200	34,410,259	30,454,175
Infrastructure	6,822,052	-	6,822,052	40,534,685
Library materials	-	-	-	22,652,457
Accumulated depreciation	-	-	-	(82,803,739)
Total assets	753,301,096	125,962,240	879,263,336	235,708,698
LIABILITIES				
Accounts payable	13,739,851	1,508,527	15,248,378	1,981,781
Accrued payroll and fringe benefits	5,281,271	560,913	5,842,184	1,509,609
Due to component units	509,611	-	509,611	-
Intergovernmental payable	5,626,071	1,325,050	6,951,121	34,683
Interest payable	5,057,963	141,541	5,199,504	418,204
Unearned revenue	128,856,441	540	128,856,981	35,772,011
Noncurrent liabilities:				
Due within one year	20,345,911	3,971,982	24,317,893	5,905,770
Due in more than one year	485,156,986	15,673,454	500,830,440	30,108,015
Total liabilities	664,574,105	23,182,007	687,756,112	75,730,073
NET ASSETS				
Invested in capital assets, net of related debt	98,333,460	30,486,244	128,819,704	122,886,131
Temporarily restricted	-	-	-	55,000
Restricted for:				
Environmental trust operations	-	38,666,518	38,666,518	-
Construction and capital projects	11,043,350	518,333	11,561,683	1,328,008
Debt service	20,672,652	2,647,830	23,320,482	10,591,181
Beach renourishment	-	-	-	351,118
Unrestricted	(41,322,471)	30,461,308	(10,861,163)	24,767,187
Total net assets	\$ 88,726,991	\$ 102,780,233	\$ 191,507,224	\$ 159,978,625

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities	Primary Business-type Activities	Total	
			Operating Grants and Contributions	Capital Grants and Contributions					
Primary Government									
Governmental activities:									
General government	\$ 51,006,419	\$ 9,697,135	\$ 177,214	\$ -	\$ -	\$ (41,132,070)	\$ -	\$ (41,132,070)	\$ -
Public safety	77,890,858	11,478,288	4,157,900	-	-	(62,254,670)	-	(62,254,670)	-
Judicial	25,578,697	8,892,660	2,304,471	-	-	(14,381,566)	-	(14,381,566)	-
Public works	56,597,207	1,939,108	3,964,103	-	-	(50,693,996)	-	(50,693,996)	-
Health and welfare	16,552,891	412,732	13,378,960	-	-	(2,761,199)	-	(2,761,199)	-
Economic development	6,078,107	-	5,250,000	-	-	(828,107)	-	(828,107)	-
Culture and recreation	41,390,976	912,786	-	-	-	(40,478,190)	-	(40,478,190)	-
Education	5,719,553	-	-	-	-	(5,719,553)	-	(5,719,553)	-
Interest and fiscal charges	21,109,522	-	-	-	-	(21,109,522)	-	(21,109,522)	-
Total governmental activities	301,924,230	33,332,709	29,232,648	-	-	(239,358,873)	-	(239,358,873)	-
Business-type activities:									
DAODAS	8,407,723	6,124,605	136,407	-	-	-	(2,146,711)	(2,146,711)	-
E-911 Communications	1,199,876	2,070,562	-	-	-	-	870,686	870,686	-
Environmental Management	33,738,089	30,790,268	148,009	-	-	-	(2,799,812)	(2,799,812)	-
Parking Garages	1,969,322	2,556,854	-	-	-	-	587,532	587,532	-
Radio Communications	2,226,905	846,525	-	-	-	-	(1,380,380)	(1,380,380)	-
Revenue Collections	1,721,430	528,649	-	-	-	-	(1,192,781)	(1,192,781)	-
Total business-type activities	49,263,345	42,917,463	284,416	-	-	-	(6,061,466)	(6,061,466)	-
Total primary government	\$ 351,187,575	\$ 76,250,172	\$ 29,517,064	\$ -	\$ -	(239,358,873)	(6,061,466)	(245,420,339)	-
Component Units:									
Charleston County Library	\$ 14,801,939	\$ 611,784	\$ 13,980,404	\$ 539,347	\$ -	\$ -	\$ -	\$ -	329,596
Charleston County PRC	28,414,251	12,420,342	-	4,861,286	-	-	-	-	(11,132,623)
Cooper River Park & Playground	233,383	-	-	-	-	-	-	-	(233,383)
James Island PSD	11,177,560	4,658,807	-	-	-	-	-	-	(6,518,753)
North Charleston District	1,390,782	-	-	-	-	-	-	-	(1,390,782)
St. Andrew's Parish Parks & Playground	3,035,472	1,502,146	3,474	-	-	-	-	-	(1,529,852)
St. John's Fire District	9,943,493	-	-	-	-	-	-	-	(9,943,493)
St. Paul's Fire District	4,623,645	-	80,058	18,376	-	-	-	-	(4,525,211)
Charleston County Vounteer Rescue Squad	412,473	-	350,131	-	-	-	-	-	(62,342)
Total component units	\$ 74,032,998	\$ 19,193,079	\$ 14,414,067	\$ 5,419,009	\$ -	\$ -	\$ -	(35,006,843)	-

General Revenues:					
Property taxes	104,955,894	-	-	104,955,894	-
Charleston County PRC	-	-	-	-	16,432,379
Cooper River Park & Playground	-	-	-	-	172,377
James Island PSD	-	-	-	-	6,641,431
North Charleston District	-	-	-	-	1,058,537
St. Andrew's Parish Parks & Playground	-	-	-	-	1,290,059
St. John's Fire District	-	-	-	-	10,176,703
St. Paul's Fire District	-	-	-	-	4,305,768
Local option sales tax	39,955,809	-	-	39,955,809	-
Transportation sales tax	36,292,922	-	-	36,292,922	-
Accommodations tax	8,851,895	-	-	8,851,895	-
Franchise tax	825,465	-	-	825,465	70,313
Alcohol beverage tax	-	542,927	-	542,927	-
Merchants inventory tax and manufacturer's depreciation	1,385,891	10,832	-	1,396,723	1,012,650
Motor carrier tax	120,432	-	-	120,432	-
Unrestricted state aid to political subdivisions Grants and contributions not restricted to specific program	14,223,422	-	-	14,223,422	-
Unrestricted investment earnings	1,318,508	102,188	-	1,420,696	2,272
Gain on sale of capital assets	-	45,525	-	45,525	111,826
Fundraising and donations	-	-	-	-	4,294
Miscellaneous	-	-	-	-	88,309
Transfers	(4,493,248)	4,493,248	-	-	809,859
Total general revenues and transfers	203,436,990	5,194,720	-	208,631,710	42,176,777
Change in net assets	(35,921,883)	(866,746)	-	(36,788,629)	7,169,934
Net assets - beginning, as restated (component unit)	124,648,874	103,646,979	-	228,295,853	152,808,691
Net assets - ending	\$ 88,726,991	\$ 102,780,233	\$	\$ 191,507,224	\$ 159,978,625

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	ASSETS					Total Governmental Funds
	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	
Non-pooled cash and cash equivalents	\$ 2,869,605	\$ -	\$ -	\$ -	\$ 2,302,032	\$ 5,171,637
Pooled cash and cash equivalents	13,183,756	15,629,657	32,783,394	31,840,695	30,074,743	123,512,245
Pooled investments	-	-	112,256,608	-	-	112,256,608
Restricted cash and cash equivalents	-	229,042	-	-	941,089	1,170,131
Restricted investments	-	4,665,954	-	-	-	4,665,954
Receivables (net of allowances for uncollectibles)	125,972,217	17,919,233	15,452,088	-	18,350,118	177,693,656
Due from other funds	25,485,560	-	-	-	-	25,485,560
Inventories	942,674	-	-	-	-	942,674
Total assets	\$ 168,453,812	\$ 38,443,886	\$ 160,492,090	\$ 31,840,695	\$ 51,667,982	\$ 450,898,465
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,050,036	\$ 8,135	\$ 3,055,907	\$ 3,496,523	\$ 1,709,553	\$ 10,320,154
Accrued payroll and fringe benefits	4,700,111	-	35,875	-	434,333	5,170,319
Due to component units	509,611	-	-	-	-	509,611
Due to other funds	608,413	-	-	-	4,285,817	4,894,230
Intergovernmental payable	912,336	-	785,107	-	3,443,513	5,140,956
Deferred revenue	107,077,281	17,763,099	-	-	7,089,779	131,930,159
Total liabilities	115,857,788	17,771,234	3,876,889	3,496,523	16,962,995	157,965,429
Fund balances:						
Reserved for inventories	942,674	-	-	-	-	942,674
Reserved for encumbrances	1,784,480	-	47,202,808	-	13,564,710	62,551,998
Reserved for debt service	-	20,672,652	-	-	-	20,672,652
Reserved for transportation and road sales tax special revenue fund	-	-	109,412,393	-	-	109,412,393
Reserved for capital projects	-	-	-	28,344,172	11,043,350	39,387,522
Unreserved:						
Designated for rainy day	7,587,696	-	-	-	-	7,587,696
Designated for subsequent years' appropriation - general fund	2,695,037	-	-	-	-	2,695,037
Designated for subsequent years' appropriation - special revenue funds	-	-	-	-	10,096,927	10,096,927
Undesignated - general fund	39,586,137	-	-	-	-	39,586,137
Total fund balances	52,596,024	20,672,652	156,615,201	28,344,172	34,704,987	292,933,036
Total liabilities and fund balances	\$ 168,453,812	\$ 38,443,886	\$ 160,492,090	\$ 31,840,695	\$ 51,667,982	\$ 450,898,465

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSTS OF GOVERNMENTAL ACTIVITIES
June 30, 2010**

Total Governmental Fund Balances **\$ 292,933,036**

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. **296,972,514**

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

Deferred issuance costs	\$	2,009,840	
Property taxes		3,073,718	5,083,558

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. **13,034,052**

Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance. **(20,754,266)**

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	\$	(406,590,609)	
Certificates of participation		(41,756,721)	
Leases payable		(2,360,292)	
Compensated absences		(9,633,120)	
Intergovernmental note payable		(33,151,722)	
Accrued interest payable		(5,049,439)	(498,541,903)

Net assets of governmental activities **\$ 88,726,991**

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, 2010

	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	\$ 115,578,793	\$ 18,433,248	\$ 36,292,922	\$ -	\$ 7,945,283	\$ 178,250,246
Intergovernmental	20,988,893	346,869	-	-	28,459,136	49,794,898
Permits and licenses	3,973,196	-	-	-	12,500	3,985,696
Fines and forfeitures	2,229,081	-	-	-	919,352	3,148,433
Interest	1,245,017	295,950	818,465	266,002	156,390	2,781,824
Service charges	18,545,058	-	44,768	-	11,315,487	29,905,313
Rental and use of property	619,639	-	-	-	44,223	663,862
Other revenues	3,880,352	1,750,000	-	-	725,685	6,356,037
Total revenues	167,060,029	20,826,067	37,156,155	266,002	49,578,056	274,886,309
Expenditures:						
Current:						
General government	40,543,509	-	7,629,811	-	-	48,173,320
Public safety	68,057,230	-	-	-	3,693,274	71,750,504
Judicial	15,548,585	-	-	-	8,345,860	23,894,465
Public works	7,897,432	-	41,196,351	-	5,908,034	55,001,817
Health and welfare	3,513,184	-	63,975	-	12,789,409	16,366,568
Economic development	-	-	-	-	6,121,263	6,121,263
Culture and recreation	13,824,355	-	20,753,976	-	8,208,629	42,786,960
Education	-	-	-	-	5,719,553	5,719,553
Capital outlay	-	25,904,913	14,082,806	40,217,830	1,822,389	42,040,219
Debt service	-	25,904,913	83,726,919	413,848	667,374	41,068,941
Total expenditures	149,384,295	25,904,913	83,726,919	40,631,678	53,275,805	352,923,610
Excess (deficiency) of revenues over (under) expenditures	17,675,734	(5,078,846)	(46,570,764)	(40,365,676)	(3,697,749)	(78,037,301)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	-	702,710	702,710
General obligation bonds issued	-	-	-	50,000,000	-	50,000,000
Refunding general obligation bonds issued	-	-	-	20,775,000	-	20,775,000
Bond premium	-	-	-	6,493,791	-	6,493,791
Payment to escrow agent for refunding	-	-	-	(21,447,212)	-	(21,447,212)
Transfers in	1,844,147	9,168,694	1,058,658	-	17,700,005	29,771,504
Transfers out	(12,637,040)	(681,075)	(4,058,658)	(5,407,730)	(12,744,796)	(35,529,299)
Proceeds from sale of capital assets	1,337	-	-	-	465,913	467,250
Total other financing sources (uses)	(10,791,556)	8,487,619	(3,000,000)	50,413,849	6,123,832	51,233,744
Net change in fund balances	6,884,178	3,408,773	(49,570,764)	10,048,173	2,426,083	(26,803,557)
Fund balances at beginning of year	45,711,846	17,263,879	206,185,965	18,295,999	32,278,904	319,736,593
Fund balances at end of year	\$ 52,596,024	\$ 20,672,652	\$ 156,615,201	\$ 28,344,172	\$ 34,704,987	\$ 292,933,036

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, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (26,803,557)

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	\$ 42,611,071	
Depreciation expense	<u>(10,024,377)</u>	32,586,694

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	3,100,198	
Accumulated depreciation	<u>(2,018,657)</u>	
Net book value	1,081,541	
Proceeds	<u>(467,250)</u>	
Loss on disposal	614,291	
Difference of proceeds and loss on sale		(1,081,541)

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		759,070
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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.

19,671,318

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

Payment to escrow agent for refunding	21,447,212	
Capital lease proceeds	(702,710)	
General obligation bonds issued	(50,000,000)	
Refunding general obligation bonds issued	(20,775,000)	
Bond premium	<u>(6,493,791)</u>	(56,524,289)

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.

(884,308)

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	(181,048)	
Deferred refunding costs and amortization of premium	<u>1,256,181</u>	1,075,133

To record internal service fund transfers.

1,264,547

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.

23,981

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

(3,529,150)

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

(2,479,781)

Change in net assets of governmental activities

\$ (35,921,883)

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, 2010

<u>REVENUES</u>	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property and local option sales taxes	\$ 113,886,000	\$ 115,386,000	\$ 115,578,793	\$ 192,793
Intergovernmental	18,811,966	18,811,966	20,988,893	2,176,927
Permits and licenses	4,369,600	4,369,600	3,973,196	(396,404)
Fines and forfeitures	1,984,000	2,454,000	2,229,081	(224,919)
Interest	1,060,750	1,060,750	1,245,017	184,267
Service charges	17,634,100	15,635,100	18,545,058	2,909,958
Rental and use of property	605,000	605,000	619,639	14,639
Other revenues	3,715,650	3,744,650	3,880,352	135,702
Total revenues	162,067,066	162,067,066	167,060,029	4,992,963
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Deputy County Administrator	-	1,000	454	546
Assistant Administrator for Finance	474,126	467,997	456,059	11,938
Assistant Administrator for General Services	347,479	344,979	341,363	3,616
Assistant Administrator for Human Services	494,707	457,789	457,599	190
Assessor	3,293,816	3,282,916	3,055,448	227,468
Auditor	1,827,789	1,827,789	1,805,715	22,074
Board of Elections & Voter Registration Budget	1,459,819	1,469,319	1,294,184	175,135
	563,398	617,816	592,452	25,364
Capital Projects and Facilities Management	12,170,867	11,806,958	10,587,322	1,219,636
County Administrator	720,910	781,410	765,150	16,260
County Council	1,257,391	1,177,391	963,874	213,517
Delinquent Tax	1,054,252	1,051,252	977,625	73,627
Finance	1,053,188	1,045,688	972,301	73,387
Grants Administration	606,761	604,761	444,883	159,878
Human Resources	1,231,507	1,301,681	1,102,739	198,942
Internal Auditor	210,913	210,913	210,698	215
Internal Services	356,611	354,861	364,278	(9,417)
Legal	1,200,762	1,200,762	1,003,094	197,668
Legislative Delegation	176,357	176,357	170,463	5,894
Nondepartmental	(172,500)	(109,647)	163,123	(272,770)
Organizational Development	313,931	247,978	190,235	57,743
Zoning / Planning	1,574,661	1,590,361	1,460,322	130,039
Procurement	852,395	847,895	799,265	48,630
Register Mesne Conveyance	1,812,690	1,822,310	1,751,608	70,702
Safety & Risk Management	1,966,968	1,904,373	1,782,059	122,314
Technology Services	8,285,704	7,817,198	7,268,574	548,624
Treasurer	1,624,915	1,624,915	1,562,622	62,293
Total general government	44,759,417	43,927,022	40,543,509	3,383,513

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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Safety:				
Building Inspections	\$ 1,379,446	\$ 1,376,446	\$ 1,323,165	\$ 53,281
Consolidated Dispatch	3,646,338	3,076,128	2,468,445	607,683
Emergency Management	856,052	855,196	719,086	136,110
Emergency Medical Services	12,110,401	10,402,020	10,058,673	343,347
Sheriff	54,628,327	54,620,195	53,487,861	1,132,334
Total public safety	72,620,564	70,329,985	68,057,230	2,272,755
Judicial:				
Clerk of Court	3,111,889	3,171,006	2,984,592	186,414
Coroner	1,034,198	1,034,198	1,024,915	9,283
Magistrates	4,710,459	4,681,479	4,453,089	228,390
Master-In-Equity	567,176	567,176	540,131	27,045
Probate Court	1,926,248	1,926,248	1,894,440	31,808
Solicitor	4,959,684	4,755,684	4,651,418	104,266
Total judicial	16,309,654	16,135,791	15,548,585	587,206
Public Works:				
Transportation Development	208	509,078	250,034	259,044
Public Works Department	9,008,887	8,559,295	7,647,398	911,897
Total public works	9,009,095	9,068,373	7,897,432	1,170,941
Health and Welfare:				
Indigent Care	1,335,975	1,335,975	1,335,869	106
Public Works - Mosquito Abatement	2,002,187	1,739,096	1,545,895	193,201
State Agencies	383,306	383,306	358,337	24,969
Veterans Affairs	274,609	274,609	273,083	1,526
Total health and welfare	3,996,077	3,732,986	3,513,184	219,802
Culture and Recreation:				
Charleston County Library	13,824,355	13,824,355	13,824,355	-
Total culture and recreation	13,824,355	13,824,355	13,824,355	-
Total expenditures	160,519,162	157,018,512	149,384,295	7,634,217
Excess of revenues over expenditures	1,547,904	5,048,554	17,675,734	12,627,180

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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Transfers in	\$ 2,821,193	\$ 221,193	\$ 1,844,147	\$ 1,622,954
Transfers out	(11,973,697)	(12,874,347)	(12,637,040)	237,307
Proceeds from sale of capital assets	-	-	1,337	1,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources and (uses)	(9,152,504)	(12,653,154)	(10,791,556)	1,861,598
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	(7,604,600)	(7,604,600)	6,884,178	14,488,778
Fund balance at beginning of year	45,711,846	45,711,846	45,711,846	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance at end of year	\$ 38,107,246	\$ 38,107,246	\$ 52,596,024	\$ 14,488,778
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

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	\$ 700	\$ 3,100	\$ 312,761	\$ 316,561	\$ -
Pooled cash and cash equivalents	-	5,839,527	8,398,620	14,238,147	18,289,164
Restricted cash - current portion	1,530,467	-	-	1,530,467	-
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	16,729,233	19,352	2,072,506	18,821,091	100,205
Note receivable - current portion	63,910	-	-	63,910	-
Due from other funds	-	-	-	-	608,413
Inventories	-	-	-	-	291,462
Total current assets	18,324,310	5,861,979	10,783,887	34,970,176	19,414,244
Noncurrent assets:					
Restricted cash and cash equivalents	46,676,354	-	-	46,676,354	-
	46,676,354	-	-	46,676,354	-
Notes receivable - non-current portion	216,396	-	-	216,396	-
Deferred issuance costs	129,258	81,795	51,471	262,524	-
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	14,451,709	630,204	2,184,540	17,266,453	26,524,980
Construction in progress	15,966,135	363,228	-	16,329,363	-
Less accumulated depreciation	(11,064,019)	(3,961,461)	(3,988,627)	(19,014,107)	(18,285,828)
Total capital assets (net of accumulated depreciation)	25,020,205	11,241,503	8,020,559	44,282,267	9,934,835
Total noncurrent assets	72,042,213	11,323,298	8,072,030	91,437,541	9,934,835
Total assets	\$ 90,366,523	\$ 17,185,277	\$ 18,855,917	\$ 126,407,717	\$ 29,349,079

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

<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	\$ 747,182	\$ 154,194	\$ 607,151	\$ 1,508,527	\$ 3,419,697
Accrued payroll and fringe benefits	250,832	27,983	282,098	560,913	110,952
Compensated absences - current	23,740	-	61,149	84,889	5,849
Intergovernmental payable	14,247	1,520	1,309,283	1,325,050	485,115
Due to other funds	21,199,743	-	-	21,199,743	-
Unearned revenue	540	-	-	540	-
Accrued interest payable	109,333	17,645	14,563	141,541	8,524
Note payable - current	-	-	-	-	63,910
Lease payable - current	-	-	-	-	220,088
Certificates of participation - current	-	664,108	505,518	1,169,626	-
Revenue bonds - current restricted	1,530,467	-	-	1,530,467	-
Accrual for landfill closure - current	1,187,000	-	-	1,187,000	-
Total current liabilities	25,063,084	865,450	2,779,762	28,708,296	4,314,135
Noncurrent liabilities:					
OPEB liability	-	-	-	-	10,938,993
Accrual for landfill closure	3,463,000	-	-	3,463,000	-
Compensated absences	534,412	56,427	523,685	1,114,524	355,811
Lease payable	-	-	-	-	489,692
Note payable	-	-	-	-	216,396
Certificates of participation (net of unamortized discounts and deferred amount on refunding)	-	3,498,043	2,754,214	6,252,257	-
Revenue bonds (net of unamortized discounts) - restricted	4,843,673	-	-	4,843,673	-
Total noncurrent liabilities	8,841,085	3,554,470	3,277,899	15,673,454	12,000,892
Total liabilities	33,904,169	4,419,920	6,057,661	44,381,750	16,315,027
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	18,646,065	7,079,352	4,760,827	30,486,244	8,944,749
Restricted for construction	518,333	-	-	518,333	-
Restricted for environmental trust	38,666,518	-	-	38,666,518	-
Restricted for debt service	2,647,830	-	-	2,647,830	-
Unrestricted	(4,016,392)	5,686,005	8,037,429	9,707,042	4,089,303
Total net assets	\$ 56,462,354	\$ 12,765,357	\$ 12,798,256	82,025,967	\$ 13,034,052
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(1,894,171)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				22,648,437	
				\$ 102,780,233	

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, 2010

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
Operating revenues:					
Charges for services	\$ 487,940	\$ 2,556,854	\$ 11,327,564	\$ 14,372,358	\$ 38,286,177
User fees	26,720,355	-	-	26,720,355	-
Energy sales	1,213,923	-	-	1,213,923	-
Sale of recyclables	2,086,034	-	-	2,086,034	-
Other revenues	9,816	-	6,553	16,369	-
Total operating revenues	30,518,068	2,556,854	11,334,117	44,409,039	38,286,177
Operating expenses:					
Personnel services	6,078,426	841,011	7,917,724	14,837,161	3,342,678
Contractual services	6,223,241	258,755	878,811	7,360,807	3,589,372
Materials and supplies	810,533	65,488	711,199	1,587,220	6,705,476
Utilities	125,531	151,941	949,131	1,226,603	1,264,769
Repairs and maintenance	28,956	19,043	1,405,235	1,453,234	259,606
Rental expenses	189,897	-	249,715	439,612	36,757
Vehicle fleet charges	2,305,098	9,656	48,340	2,363,094	94,243
Employee benefits	-	-	-	-	22,570,935
Other expenses	1,068,524	30,604	3,240,274	4,339,402	1,165,815
Incinerator operations	4,886,407	-	-	4,886,407	-
Operator's debt	10,372,142	-	-	10,372,142	-
Depreciation and amortization	1,526,301	339,611	474,182	2,340,094	2,783,254
Landfill closure	1,187,258	-	-	1,187,258	-
Total operating expenses	34,802,314	1,716,109	15,874,611	52,393,034	41,812,905
Operating income (loss)	(4,284,246)	840,745	(4,540,494)	(7,983,995)	(3,526,728)
Nonoperating revenues (expenses):					
Interest income	300,663	21,870	51,858	374,391	73,491
Interest expense	(407,147)	(245,078)	(259,920)	(912,145)	(83,772)
Intergovernmental revenues	148,009	-	690,166	838,175	-
Gain (loss) on disposal of capital assets	40,836	1,336	1,353	43,525	(30,353)
Total nonoperating revenues (expenses)	82,361	(221,872)	483,457	343,946	(40,634)
Income (loss) before transfers	(4,201,885)	618,873	(4,057,037)	(7,640,049)	(3,567,362)
Transfers out	(229,420)	(379,364)	(957,002)	(1,565,786)	(612,249)
Transfers in	229,420	1,500,000	4,329,614	6,059,034	1,876,796
Change in net assets	(4,201,885)	1,739,509	(684,425)	(3,146,801)	(2,302,815)
Total net assets - beginning	60,664,239	11,025,848	13,482,681		15,336,867
Total net assets - ending	\$ 56,462,354	\$ 12,765,357	\$ 12,798,256		\$ 13,034,052
Adjustment to reflect the elimination of indirect costs charged by governmental funds				3,529,150	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,249,095)	
Change in net assets of business-type activities				\$ (866,746)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	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	\$ 30,591,711	\$ 2,605,347	\$ 10,746,310	\$ 43,943,368	\$ 197,412
Cash receipts from interfund services provided	-	-	-	-	38,018,317
Cash payments to suppliers for goods and services	(30,738,278)	(499,281)	(6,939,938)	(38,177,497)	(32,746,234)
Cash payments to employees for services	(6,079,302)	(837,157)	(7,932,574)	(14,849,033)	(3,315,387)
Net cash (used in) provided by operating activities	(6,225,869)	1,268,909	(4,126,202)	(9,083,162)	2,154,108
Cash flows from noncapital financing activities:					
Transfers in	229,420	1,500,000	4,329,614	6,059,034	1,876,796
Transfers (out)	(229,420)	(379,364)	(957,002)	(1,565,786)	(612,249)
Interfund advances	8,560,341	-	-	8,560,341	-
Intergovernmental receipt	148,009	-	690,167	838,176	-
Net cash provided by noncapital financing activities	8,708,350	1,120,636	4,062,779	13,891,765	1,264,547
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(1,450,187)	(588,521)	(485,742)	(2,524,450)	(260,241)
Interest paid	(431,814)	(236,661)	(195,333)	(863,808)	(85,603)
Proceeds from capital lease	-	-	-	-	28,768
Interfund loan principal payment received	52,674	-	-	52,674	-
Proceeds from sale of capital assets	62,836	2,336	3,353	68,525	158,670
Acquisition and construction of capital assets	(2,079,808)	(237,497)	(247,895)	(2,565,200)	(2,159,709)
Net cash used in capital and related financing activities	(3,846,299)	(1,060,343)	(925,617)	(5,832,259)	(2,318,115)
Cash flows from investing activities:					
Interest received	300,663	21,870	51,858	374,391	73,491
Net cash provided by investing activities	300,663	21,870	51,858	374,391	73,491
Net increase (decrease) in cash and cash equivalents	(1,063,155)	1,351,072	(937,182)	(649,265)	1,174,031
Cash and cash equivalents at beginning of year	49,270,676	4,491,555	9,648,563	63,410,794	17,240,133
Cash and cash equivalents at end of year	\$ 48,207,521	\$ 5,842,627	\$ 8,711,381	\$ 62,761,529	\$ 18,414,164
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 700	\$ 3,100	\$ 312,761	\$ 316,561	\$ -
Pooled cash and cash equivalents	-	5,839,527	8,398,620	14,238,147	18,289,164
Restricted cash and cash equivalents	48,206,821	-	-	48,206,821	-
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 48,207,521	\$ 5,842,627	\$ 8,711,381	\$ 62,761,529	\$ 18,414,164

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	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)	\$ (4,284,246)	\$ 840,745	\$ (4,540,494)	\$ (7,983,995)	\$ (3,526,728)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,526,301	339,611	474,182	2,340,094	2,783,254
Provision for landfill closure	1,187,258	-	-	1,187,258	-
Provision for uncollectible accounts	(391,336)	-	-	(391,336)	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	466,499	48,493	(587,805)	(72,813)	(70,448)
Decrease in inventories	-	-	-	-	22,096
Increase (decrease) in accounts payable	(5,914,949)	36,206	542,765	(5,335,978)	2,918,643
Increase (decrease) in accrued payroll	(876)	3,854	(14,850)	(11,872)	27,291
Decrease in deferred revenue	(1,520)	-	-	(1,520)	-
Increase in accrual for landfill closure	1,187,000	-	-	1,187,000	-
Total adjustments	(1,941,623)	428,164	414,292	(1,099,167)	5,680,836
Net cash provided by (used in) operating activities	\$ (6,225,869)	\$ 1,268,909	\$ (4,126,202)	\$ (9,083,162)	\$ 2,154,108

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2010**

ASSETS

Non-pooled cash and cash equivalents	\$ 28,924,960
Pooled cash and cash equivalents	27,432,237
Pooled investments	24,383,074
	<hr/>
Total assets	\$ 80,740,271
	<hr/> <hr/>

LIABILITIES

Due to component units	\$ 509,611
Intergovernmental payable	52,364,409
Due to third parties	27,866,251
	<hr/>
Total liabilities	\$ 80,740,271
	<hr/> <hr/>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2010

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
Non-pooled cash and cash equivalents	\$ 2,772,094	\$ 23,004,999	\$ 14,618	\$ 7,404,968
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	74,391	15,847,404	159,277	5,851,159
Due from primary government	-	(37,109)	2,207	136,881
Inventories	36,057	560,883	-	9,685
Prepaid items and deposits	100,390	89,018	-	47,734
Deferred issuance costs	-	-	-	205,874
Restricted assets:				
Cash and cash equivalents	-	1,679,126	-	1,522,760
Capital assets:				
Land and easements - nondepreciable	-	57,628,483	66,161	544,230
Construction in progress - nondepreciable	-	119,396	-	1,076,193
Artwork and other - nondepreciable	87,365	-	-	-
Buildings	-	44,452,506	183,786	1,512,600
Improvements other than buildings	-	19,529,184	-	46,964
Machinery and equipment	2,585,750	6,404,107	370,228	7,264,516
Infrastructure	-	4,864,816	-	35,669,869
Library materials	22,652,457	-	-	-
Accumulated depreciation	(22,008,662)	(31,645,067)	(532,448)	(15,270,651)
Total assets	6,299,842	142,497,746	263,829	46,022,782
<u>LIABILITIES</u>				
Accounts payable	509,082	900,753	-	257,841
Accrued payroll and fringe benefits	171,294	891,942	-	83,287
Intergovernmental payable	-	-	-	-
Interest payable	-	242,631	-	42,936
Unearned revenue	31,814	15,354,493	148,031	4,689,908
Noncurrent liabilities:				
Due within one year	28,843	3,286,673	-	997,316
Due in more than one year	919,588	14,236,805	-	8,462,877
Total liabilities	1,660,621	34,913,297	148,031	14,534,165
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	3,316,910	85,942,373	87,727	22,887,626
Temporarily restricted	-	-	-	-
Restricted for:				
Debt service	-	8,378,353	-	1,634,243
Capital improvement program	-	1,328,008	-	-
Beach renourishment	-	351,118	-	-
Unrestricted	1,322,311	11,584,597	28,071	6,966,748
Total net assets	\$ 4,639,221	\$ 107,584,449	\$ 115,798	\$ 31,488,617

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, 2009	Totals
\$ 513,843	\$ 328,975	\$ 951,562	\$ 803,304	\$ 469,040	\$ 36,263,403
-	-	3,511,673	72,136	-	3,583,809
966,277	1,055,190	9,866,118	4,015,357	-	37,835,173
13,576	23,775	314,400	55,881	-	509,611
-	-	-	-	-	606,625
-	26,333	235,731	46,138	18,689	564,033
-	1,086	4,273	-	-	211,233
-	-	242,205	-	-	3,444,091
80,122	519,000	256,665	494,933	87,679	59,677,273
-	-	1,330,277	73,843	-	2,599,709
-	-	-	-	-	87,365
516,348	5,404,737	5,665,410	1,830,752	311,761	59,877,900
-	-	-	-	34,747	19,610,895
952,891	1,422,324	6,529,461	3,123,552	1,801,346	30,454,175
-	-	-	-	-	40,534,685
-	-	-	-	-	22,652,457
(1,220,439)	(3,144,874)	(5,090,998)	(2,444,706)	(1,445,894)	(82,803,739)
<u>1,822,618</u>	<u>5,636,546</u>	<u>23,816,777</u>	<u>8,071,190</u>	<u>1,277,368</u>	<u>235,708,698</u>
7	48,459	175,334	90,305	-	1,981,781
-	56,120	274,892	32,074	-	1,509,609
31,737	2,946	-	-	-	34,683
-	1,303	123,560	7,774	-	418,204
956,498	1,154,797	9,629,510	3,756,829	50,131	35,772,011
-	232,759	1,087,802	272,377	-	5,905,770
-	427,822	5,747,592	313,331	-	30,108,015
<u>988,242</u>	<u>1,924,206</u>	<u>17,038,690</u>	<u>4,472,690</u>	<u>50,131</u>	<u>75,730,073</u>
328,922	3,578,289	2,809,585	2,762,462	1,172,237	122,886,131
-	-	-	-	55,000	55,000
-	237	269,496	308,852	-	10,591,181
-	-	-	-	-	1,328,008
-	-	-	-	-	351,118
505,454	133,814	3,699,006	527,186	-	24,767,187
<u>\$ 834,376</u>	<u>\$ 3,712,340</u>	<u>\$ 6,778,087</u>	<u>\$ 3,598,500</u>	<u>\$ 1,227,237</u>	<u>\$ 159,978,625</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2010

	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, 2009	Total
Charleston County Library														
Governmental activities:														
Culture and recreation	\$ 14,801,939	\$ 611,784	\$ 13,980,404	\$ 539,347	\$ 329,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,596
Charleston County PRC														
Governmental activities:														
General government	10,888,561	-	-	4,861,286	-	(6,027,295)	-	-	-	-	-	-	-	(6,027,295)
Culture and recreation	3,169,414	828,063	-	-	-	(2,341,351)	-	-	-	-	-	-	-	(2,341,351)
Planning and development	451,214	-	-	-	-	(451,214)	-	-	-	-	-	-	-	(451,214)
Interest and fiscal charges	654,429	-	-	-	-	(654,429)	-	-	-	-	-	-	-	(654,429)
Total governmental activities	15,163,638	828,063	-	4,861,286	-	(9,474,289)	-	-	-	-	-	-	-	(9,474,289)
Business-type activities:														
Park operations	13,250,613	11,592,279	-	-	-	(1,658,334)	-	-	-	-	-	-	-	(1,658,334)
Total Charleston County PRC	28,414,251	12,420,342	-	4,861,286	-	(11,132,623)	-	-	-	-	-	-	-	(11,132,623)
Cooper River Park & Playground														
Governmental activities:														
General government	13,529	-	-	-	-	-	(19,529)	-	-	-	-	-	-	(13,529)
Culture and recreation	219,854	-	-	-	-	-	(219,854)	-	-	-	-	-	-	(219,854)
Total governmental activities	233,383	-	-	-	-	-	(233,383)	-	-	-	-	-	-	(233,383)
James Island PSD														
Governmental activities:														
General government	749,807	-	-	-	-	-	(749,807)	-	-	-	-	-	-	(749,807)
Public safety	3,663,106	-	-	-	-	-	(3,663,106)	-	-	-	-	-	-	(3,663,106)
Health and welfare	1,876,409	-	-	-	-	-	(1,876,409)	-	-	-	-	-	-	(1,876,409)
Total governmental activities	6,289,321	-	-	-	-	-	(6,289,321)	-	-	-	-	-	-	(6,289,321)
Business-type activities:														
Wastewater	4,888,239	4,658,807	-	-	-	-	(229,432)	-	-	-	-	-	-	(229,432)
Total James Island PSD	11,177,560	4,658,807	-	-	-	-	(6,516,753)	-	-	-	-	-	-	(6,516,753)
North Charleston District														
Governmental activities:														
General government	20,523	-	-	-	-	-	-	(20,523)	-	-	-	-	-	(20,523)
Public safety	1,008,164	-	-	-	-	-	-	(1,008,164)	-	-	-	-	-	(1,008,164)
Public works	362,105	-	-	-	-	-	-	(362,105)	-	-	-	-	-	(362,105)
Total governmental activities	1,390,792	-	-	-	-	-	-	(1,390,792)	-	-	-	-	-	(1,390,792)

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 20010

	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 Parks & Playground	St. John's Fire District	St. Paul's Fire District	Chas County Volunteer Rescue Squad Dec. 31, 2009	Total
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 1,265,060	\$ 3,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,261,576)	\$ -	\$ -	\$ -	\$ -	\$ (1,261,576)
Culture and recreation	522,437	-	-	-	-	-	-	(86,110)	-	-	-	-	(86,110)
Interest	8,987	-	-	-	-	-	-	(9,987)	-	-	-	-	(9,987)
Total governmental activities	1,796,474	3,474	-	-	-	-	-	(1,356,673)	-	-	-	-	(1,356,673)
Business-type activities:													
Family recreation	1,238,998	-	-	-	-	-	-	(173,179)	-	-	-	-	(173,179)
Total St. Andrew's Parish Parks & Playground Commission	3,035,472	3,474	-	-	-	-	-	(1,529,852)	-	-	-	-	(1,529,852)
St. John's Fire District													
Governmental activities:													
Public safety	9,943,493	-	-	-	-	-	-	-	(9,943,493)	-	-	-	(9,943,493)
St. Paul's Fire District													
Governmental activities:													
Public safety	4,623,645	80,058	16,375	-	-	-	-	-	-	(4,525,211)	-	-	(4,525,211)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public safety	412,473	350,131	-	-	-	-	-	-	-	-	(62,342)	-	(62,342)
Total Component Units	\$ 74,032,998	\$ 19,193,079	\$ 14,414,067	\$ 5,419,009									\$ (36,006,843)
General Revenues:													
Property taxes					16,432,379	172,377	6,641,431	1,058,637	1,230,059	10,176,703	4,305,768	-	40,077,264
Merchants inventory tax and manufacturer's depreciation					484,630	55,574	26,468	213,080	189,823	19,343	13,742	-	1,012,650
Franchise fees					-	-	-	70,313	-	-	-	-	70,313
Grants not restricted to specific program					2,272	-	-	-	-	-	-	-	2,272
Unrestricted investment earnings				2,708	40,272	-	48,103	3,055	-	12,401	3,403	1,864	111,826
Gains on sale of capital assets				-	-	-	4,294	-	-	-	-	-	4,294
Fundraising and donations				-	-	-	-	-	17,900	-	-	-	88,309
Miscellaneous				-	102,379	14	546,539	-	-	38,006	122,291	70,409	809,869
Total general revenues	2,708	350,131	17,061,532	2,708	17,061,532	227,965	7,266,925	1,344,966	1,507,782	10,246,453	4,445,206	72,923	42,176,777
Change in net assets													
Net assets - beginning, as restated				332,304	5,929,309	(5,418)	748,072	(45,797)	(22,070)	302,960	(80,007)	10,581	7,165,934
Net assets - end of year				4,306,917	101,655,140	121,216	30,740,645	880,173	3,734,410	6,475,127	3,679,607	1,215,656	152,809,691
	\$ 4,639,221	\$ 350,131	\$ 107,564,449	\$ 4,639,221	\$ 107,564,449	\$ 116,798	\$ 31,488,617	\$ 834,376	\$ 3,712,340	\$ 6,778,087	\$ 3,598,500	\$ 1,227,237	\$ 159,978,625

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010.

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, economic development 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
JUNE 30, 2010**

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
JUNE 30, 2010**

<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
JUNE 30, 2010**

<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities and Relationship to the County</u>
<p>St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194</p>	<p>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.</p>
<p>St. Paul's Fire District (SPFD) Administrative Office Address: P.O. Box 65 Hollywood, SC 29449 Telephone: (843) 889-6450</p>	<p>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.</p>
<p>Charleston County Volunteer Rescue Squad, Inc. (CCVRS) Administrative Office Address: P.O. 5012 North Charleston, SC 24906 Telephone: (843) 225-7728</p>	<p>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.</p>

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 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 Consolidated Dispatch Center, Detention Center, and Judicial Center repairs.

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
JUNE 30, 2010

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 activities, currently consisting of the following:

1. Incineration plant service agreement including ash disposal, which was terminated December 2009.
2. Landfill to dispose of incineration plant overflow and all county dry goods and construction materials.
3. Service contracts for hauling and transfer of municipal solid waste.

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.

Charleston County Council elected not to renew the service agreement with Montenay for the incinerator that ended November 30, 2009. The waste-to-energy facility is currently being dismantled according to the terms of the facility site lease removing all buildings and equipment improvements. Charleston County and Montenay are currently negotiating the final adjustment to the operation and maintenance fees according to the service agreement. No liability has been recorded as of June 30, 2010.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

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 and payments from retirees. 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

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.

Unearned/Deferred Revenue - Deferred and unearned 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, 2009, but which were levied to finance fiscal year 2011 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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".

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

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, 2010.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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.

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, 2010, \$23,320,482 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

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, 2010**

B. Restatement of Prior Year Fund Equities

During the fiscal year ended June 30, 2010, one of the County's component units made adjustments that resulted in a restatement of beginning net assets.

	<u>Component Units</u>
	SPFD
Net assets, July 1, 2009	\$ 3,291,251
Restatements:	
Deferred revenue	387,256
Net assets, July 1, 2009 (as restated)	\$ 3,678,507

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 other wise meets the criteria established and prescribed by the local entity.

As of June 30, 2010, \$2,525,711 of the County's bank balance of \$241,486,771 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>\$2,525,711</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, 2010, the County had no exposed custodial credit risk on its investments which total \$141,305,636. \$116,922,562 is reported on the Statement of Net Assets and \$24,383,074 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

Credit Risk

The County had \$38,054,682 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$19,285,000 has been invested in certificates of deposits and therefore by definition are not subject to credit risk. \$5,000,000 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note, \$74,300,000 has been invested in debt securities of the Federal Home Loan Bank Discount Note and \$4,665,954 has been invested in Federal National Mortgage Assistance Pool. They are rated AAA and Aaa for long-term unsecured debt by Standards & Poor's and Moodys, respectively. 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 \$141,305,636 as of June 30, 2010.

Investments Maturity:	Fair Value as of <u>June 30, 2010</u>
Less than one year	
Certificates of Deposits	\$ 19,285,000
SCLGIP	38,054,682
Federal Home Loan Mortgage Discount Note	5,000,000
Federal Home Loan Bank Discount Note	74,300,000
Federal National Mortgage Assistance Pool	4,665,954
	<u>\$ 141,305,636</u>

Concentrations of Credit Risk

More than 5% of the County's investments are in Federal Home Loan Bank which represents 52.58% of total investments. The remaining investments are less than 5% or are not subject to concentration of credit risk.

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

None of the component units had bank balances exceeding FDIC limits and uncollateralized.

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
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Custodial Credit Risk-Investments

None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2010, St. Paul's Fire District had \$72,136 and St. Johns Fire District had \$3,511,673 invested in the State Treasurer's Local Government Investment Pool.

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	\$ 38,060
Cash on hand – component units	56,563
Carrying amount of deposits - primary government	267,223,843
Carrying amount of deposits - component units	39,650,931
Carrying amount of investments - primary government	141,305,636
Carrying amount of investments – component units	3,583,809
Cash with fiscal agent – primary government	<u>125,000</u>
 Total carrying amount of cash and investments	 <u>\$ 451,983,842</u>
 Non-pooled cash and cash equivalents	 \$ 70,676,561
Pooled cash and cash equivalents	183,471,793
Restricted cash and cash equivalents	52,821,043
Pooled investments	136,639,682
Non-pooled investments	8,249,763
Cash with fiscal agent	<u>125,000</u>
 Total carrying amount of cash and investments	 <u>\$ 451,983,842</u>

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

Receivables as of June 30, 2010, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			
Primary government:	<u>General</u>	<u>Debt Service</u>	<u>Transportation Special Revenue Fund</u>	<u>Non-major Governmental Funds</u>
Receivables:				
Current property taxes	\$ 111,316,339	\$18,275,817	\$ -	\$ 7,245,658
Delinquent property taxes	4,337,564	973,662	-	431,286
Accounts	8,430,219	-	11,022	993,406
Intergovernmental	15,518,590	-	15,441,066	10,481,240
Notes	-	-	-	146,725
Interest	-	-	-	42
Gross receivables	<u>139,602,712</u>	<u>19,249,479</u>	<u>15,452,088</u>	<u>19,298,357</u>
Less allowance for uncollectibles:				
Current property taxes	6,567,664	1,032,584	-	481,709
Delinquent property taxes	1,333,300	297,662	-	128,969
Accounts	5,729,531	-	-	190,836
Notes	-	-	-	146,725
Gross allowance	<u>13,630,495</u>	<u>1,330,246</u>	<u>-</u>	<u>948,239</u>
Net total receivable	<u>\$ 125,972,217</u>	<u>\$ 17,919,233</u>	<u>\$ 15,452,088</u>	<u>\$ 18,350,118</u>

	<u>Proprietary</u>		<u>Totals</u>
	<u>Business-type Activities</u>	<u>Governmental Activities- Internal Service Funds</u>	<u>Primary Government</u>
Receivables:			
Current property taxes	\$ -	\$ -	\$ 136,837,814
Delinquent property taxes	-	-	5,742,512
Accounts	22,668,788	60,129	32,163,564
Intergovernmental	1,289,711	40,076	42,770,683
Notes	-	-	146,725
Interest	8,524	-	8,566
Gross receivables	<u>23,967,023</u>	<u>100,205</u>	<u>217,669,864</u>
Less allowance for uncollectibles:			
Current property taxes	-	-	8,081,957
Delinquent property taxes	-	-	1,759,931
Accounts	5,145,932	-	11,066,299
Notes	-	-	146,725
Gross allowance	<u>5,145,932</u>	<u>-</u>	<u>21,054,912</u>
Net total receivable	<u>\$ 18,821,091</u>	<u>\$ 100,205</u>	<u>\$ 196,614,952</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Component Units:	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>JIPSD</u>	<u>NCD</u>
Receivables:					
Current property taxes	\$ -	\$ 15,579,174	\$ 159,053	\$ 4,991,908	\$ 978,788
Delinquent property taxes	-	804,548	14,298	311,789	90,469
Accounts	74,391	122,431	-	223,275	-
Intergovernmental	-	<u>385,307</u>	<u>2,364</u>	<u>680,187</u>	-
Gross receivables	<u>74,391</u>	<u>16,891,460</u>	<u>175,715</u>	<u>6,207,159</u>	<u>1,069,257</u>
Less allowance for uncollectible:					
Current property taxes	-	880,223	11,022	301,511	67,830
Delinquent property taxes	-	163,833	5,416	19,489	35,150
Accounts	-	-	-	<u>35,000</u>	-
Gross allowance	-	<u>1,044,056</u>	<u>16,438</u>	<u>356,000</u>	<u>102,980</u>
Net total receivable	<u>\$ 74,391</u>	<u>\$ 15,847,404</u>	<u>\$ 159,277</u>	<u>\$ 5,851,159</u>	<u>\$ 966,277</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,146,538	\$ 10,064,287	\$ 4,162,692	\$ 37,082,440
Delinquent property taxes	78,955	319,044	381,856	2,000,959
Accounts	-	2,835	346	423,278
Intergovernmental	-	-	<u>18,376</u>	<u>1,086,234</u>
Gross receivables	<u>1,225,493</u>	<u>10,386,166</u>	<u>4,563,270</u>	<u>40,592,911</u>
Less allowance for uncollectible:				
Current property taxes	76,015	434,777	405,863	2,177,241
Delinquent property taxes	94,288	85,271	142,050	545,497
Accounts	-	-	-	<u>35,000</u>
Gross allowance	<u>170,303</u>	<u>520,048</u>	<u>547,913</u>	<u>2,757,738</u>
Net total receivable	<u>\$ 1,055,190</u>	<u>\$ 9,866,118</u>	<u>\$ 4,015,357</u>	<u>\$ 37,835,173</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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, 2010, under these notes receivable:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>
2011	\$ 80,001
2012	80,001
2013	80,001
2014	<u>80,001</u>
Total minimum note payments	<u>320,004</u>
Less amount representing interest	<u>(39,698)</u>
Present value of minimum note payments	280,306
Less current portion	<u>(63,910)</u>
Long-term portion	<u>\$ 216,396</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2010, was as follows:

Governmental Activities:	<u>Balance July 1, 2009</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 16,334,159	\$ 1,421,343	\$ (947,713)	\$ 16,807,789
Construction in progress	68,377,801	39,187,439	(104,443,759)	3,121,481
Infrastructure-easements, land	<u>8,431,074</u>	<u>159,764</u>	<u>(30,721)</u>	<u>8,560,117</u>
Total capital assets not being depreciated	<u>93,143,034</u>	<u>40,768,546</u>	<u>(105,422,193)</u>	<u>28,489,387</u>
Capital assets being depreciated:				
Buildings	199,528,666	103,858,495	(203,796)	303,183,365
Improvements other than buildings	2,166,637	-	-	2,166,637
Machinery and equipment	81,523,526	4,370,322	(3,614,855)	82,278,993
Infrastructure	<u>36,191,237</u>	<u>217,176</u>	<u>(2,448)</u>	<u>36,405,965</u>
Total capital assets being depreciated	<u>319,410,066</u>	<u>108,445,993</u>	<u>(3,821,099)</u>	<u>424,034,960</u>
Less accumulated depreciation:				
Buildings	(55,459,937)	(4,617,725)	170,336	(59,907,326)
Improvements other than buildings	(1,337,697)	(49,128)	-	(1,386,825)
Machinery and equipment	(51,439,598)	(6,657,970)	3,358,634	(54,738,934)
Infrastructure	<u>(28,101,105)</u>	<u>(1,482,808)</u>	<u>-</u>	<u>(29,583,913)</u>
Total accumulated depreciation	<u>(136,338,337)</u>	<u>(12,807,631)</u>	<u>3,528,970</u>	<u>(145,616,998)</u>
Total capital assets being depreciated, net	<u>183,071,729</u>	<u>95,638,362</u>	<u>(292,129)</u>	<u>278,417,962</u>
Governmental activities, Total capital assets, net	<u>\$ 276,214,763</u>	<u>\$ 136,406,908</u>	<u>\$ (105,714,322)</u>	<u>\$ 306,907,349</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>Balance as</u> <u>July 1, 2009</u>	<u>Transfers/</u> <u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 3,950,930	\$ -	\$ -	\$ 3,950,930
Construction in progress	<u>16,083,949</u>	<u>245,414</u>	<u>-</u>	<u>16,329,363</u>
Total capital assets not being depreciated	<u>20,034,879</u>	<u>245,414</u>	<u>-</u>	<u>20,280,293</u>
Capital assets being depreciated:				
Buildings	24,933,128	-	-	24,933,128
Improvements other than buildings	816,500	-	-	816,500
Machinery and equipment	<u>16,107,640</u>	<u>2,319,788</u>	<u>(1,160,975)</u>	<u>17,266,453</u>
Total capital assets being depreciated	<u>41,857,268</u>	<u>2,319,788</u>	<u>(1,160,975)</u>	<u>43,016,081</u>
Less accumulated depreciation:				
Buildings	(7,492,927)	(562,073)	-	(8,055,000)
Improvements other than buildings	(511,348)	(51,506)	-	(562,854)
Machinery and equipment	<u>(9,855,074)</u>	<u>(1,677,154)</u>	<u>1,135,975</u>	<u>(10,396,253)</u>
Total accumulated depreciation	<u>(17,859,349)</u>	<u>(2,290,733)</u>	<u>1,135,975</u>	<u>(19,014,107)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>23,997,919</u>	<u>29,055</u>	<u>(25,000)</u>	<u>24,001,974</u>
Total capital assets, net	<u>\$ 44,032,798</u>	<u>\$ 274,469</u>	<u>\$ (25,000)</u>	<u>\$ 44,282,267</u>

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	\$ 7,172,609
Public safety	1,876,379
Judicial	1,411,464
Public works	1,586,926
Health and welfare	144,130
Economic Development	1,611
Culture and recreation	<u>614,512</u>
Total	<u>\$ 12,807,631</u>

Business-type Activities:

Environmental Management	\$ 1,491,049
Parking Garages	332,226
DAODAS	256,224
E-911 Communications	183,226
Radio Communications	<u>28,008</u>
Total	<u>\$ 2,290,733</u>

Component Units:

Capital assets not being depreciated:	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Land	\$ 55,137,895	\$ 4,539,378	\$ -	\$ 59,677,273
Artwork	11,000	-	-	11,000
Other non-depreciable assets	-	76,365	-	76,365
Construction in progress	<u>1,162,555</u>	<u>2,412,104</u>	<u>(974,950)</u>	<u>2,599,709</u>
Total capital assets not being depreciated	<u>56,311,450</u>	<u>7,027,847</u>	<u>(974,950)</u>	<u>62,364,347</u>
Capital assets being depreciated:				
Buildings	58,932,433	1,002,900	(57,433)	59,877,900
Improvements other than buildings	19,451,578	159,317	-	19,610,895
Machinery and equipment	29,208,346	2,481,282	(1,235,453)	30,454,175
Infrastructure	39,868,111	2,419,474	(1,752,900)	40,534,685
Library materials	<u>22,478,183</u>	<u>1,550,543</u>	<u>(1,376,269)</u>	<u>22,652,457</u>
Total capital assets being depreciated	<u>169,938,651</u>	<u>7,613,516</u>	<u>(4,422,055)</u>	<u>173,130,112</u>
Less accumulated depreciation	<u>(77,744,180)</u>	<u>(7,567,216)</u>	<u>2,507,657</u>	<u>(82,803,739)</u>
Total capital assets being depreciated, net	<u>92,194,471</u>	<u>46,300</u>	<u>(1,914,398)</u>	<u>90,326,373</u>
Component units				
Total capital assets, net	<u>\$ 148,505,921</u>	<u>\$ 7,074,147</u>	<u>\$ (2,889,348)</u>	<u>\$ 152,690,720</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Depreciation expense was charged to functions of the component units as follows:

General government	\$ 2,456,451
Public safety	1,313,262
Culture and recreation	2,973,795
Health and welfare	94,883
Waste water	<u>728,825</u>
 Total	 <u>\$ 7,567,216</u>

Construction in progress in the Governmental Activities as of June 30, 2010, is composed of the following:

	Project Authorization	Expended to June 30, 2010	Commitments Outstanding	Required Future Financing
Primary government:				
Consolidated Dispatch Center	\$ 27,300,000	\$ 824,317	\$ 1,709,859	General obligation bonds
Property Tax Software	2,000,000	1,062,363	845,983	None
Law Enforcement Software	1,500,000	1,014,288	451,785	None
Cartograph Work order System	108,000	144,937	825	None
SCE&G Building	-	10,126	-	General obligation bonds
Senior Citizens Center	556,752	52,855	225	General obligation bonds
Radio System	<u>12,100,000</u>	<u>12,595</u>	<u>178,375</u>	General obligation bonds
Total primary government	<u>\$ 43,564,752</u>	<u>\$ 3,121,481</u>	<u>\$ 3,187,052</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2010, the County has assets under capital lease with a total cost of \$6,671,216 and a net book value of \$2,119,102. 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
JUNE 30, 2010

Construction in progress as of June 30, 2010, in the Business-type activities is composed of the following:

Primary government:	<u>Project Authorization</u>	<u>Expended to June 30, 2010</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Parking Garages Renovations	\$ 5,659,744	\$ 363,228	\$ 90,959	None
Environmental Management Lined Landfill	<u>16,117,966</u>	<u>15,966,135</u>	<u>-</u>	None
Total primary government	<u>\$ 21,777,710</u>	<u>\$ 16,329,363</u>	<u>\$ 90,959</u>	
Component Unit:				
CCPRC				
Wannamaker Phase III	\$ 150,000	\$ 108,886	\$ 1,899	None
James Island deck and bulkhead	25,000	3,843	-	None
Baptist Hill tennis courts	<u>30,380</u>	<u>6,667</u>	<u>4,276</u>	None
Total CCPRC	<u>205,380</u>	<u>119,396</u>	<u>6,175</u>	None
JIPSD				
Waste water upgrade	<u>2,949,889</u>	<u>1,076,193</u>	<u>1,073,696</u>	Impact fees
Total JIPSD	<u>2,949,889</u>	<u>1,076,193</u>	<u>1,073,696</u>	
SJFD				
Fire trucks	<u>1,572,482</u>	<u>1,330,277</u>	<u>242,205</u>	None
Total SJFD	<u>1,572,482</u>	<u>1,330,277</u>	<u>242,205</u>	None
SPFD				
Station 7	-	58,843	-	
Smoke Trailer	<u>54,450</u>	<u>15,000</u>	<u>39,450</u>	
Total SPFD	<u>54,450</u>	<u>73,843</u>	<u>39,450</u>	
Total Component Units	<u>\$ 4,782,201</u>	<u>\$ 2,599,709</u>	<u>\$ 1,361,526</u>	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2010, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 25,485,560	\$ 608,413
Non-major governmental funds	-	4,285,817
Major enterprise funds: Environmental Management	-	21,199,743
Internal service funds	<u>608,413</u>	<u>-</u>
Total	<u>\$ 26,093,973</u>	<u>\$ 26,093,973</u>

Interfund 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, 2010

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer Out
Major governmental funds:		
General Fund	\$ 1,844,147	\$ (12,637,040)
Debt Service Fund	9,168,694	(681,075)
Transportation and road sales tax	1,058,658	(4,058,658)
G.O.B. Capital Projects	-	(5,407,730)
Non-major governmental funds	17,700,005	(12,744,796)
Major business-type activities:		
Environmental Management	229,420	(229,420)
Parking Garage	1,500,000	(379,364)
Non-major business-type activities	4,329,614	(957,002)
Internal Service Funds	1,876,796	(612,249)
Total	\$ 37,707,334	\$ (37,707,334)

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, 2010, is \$184,670.

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

Year Ending June 30	CCL
2011	\$ 149,400
2012	149,400
2013	74,700
	\$ 373,500

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$4,650,000 reported as the accrual for landfill closure and post-closure at June 30, 2010, represents the estimated remaining cost reported of \$21,990,000 less \$17,340,000 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	\$ 553,200	\$ 5,797,678	\$ -
Bees Ferry:					
Ash storage facility	100%	929,018	318,500	1,247,518	-
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%	1,115,089	564,911	1,680,000	17,270,000
Bees Ferry C&D landfill	96%	<u>1,580,000</u>	<u>580,000</u>	<u>2,160,000</u>	<u>70,000</u>
Totals		<u>\$21,097,394</u>	<u>\$ 5,553,611</u>	<u>\$ 26,651,005</u>	<u>\$ 17,340,000</u>

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2010. 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 or lines of credit to finance general operating expenditures during the fiscal year ended June 30, 2010. 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	-
SPFD	-	1,500,000	1,500,000	-
	<u>\$ -</u>	<u>\$ 2,450,000</u>	<u>\$ 2,450,000</u>	<u>\$ -</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2010.

Primary Government:	Balance July 1, 2009	Increase	Decrease	Balance June 30, 2010	Amounts Due in One Year
Governmental activities					
General obligation bonds	\$363,444,567	\$ 77,268,791	\$ 34,122,749	\$ 406,590,609	\$ 11,633,400
Certificates of participation	47,313,497	-	5,556,776	41,756,721	6,511,151
Intergovernmental note payable	34,192,492	-	1,040,770	33,151,722	1,100,406
Capital lease payable	3,788,455	731,478	1,449,861	3,070,072	851,412
Compensated absences	9,794,340	449,982	249,542	9,994,780	249,542
OPEB	<u>8,286,334</u>	<u>2,652,659</u>	<u>-</u>	<u>10,938,993</u>	<u>-</u>
Total	<u>\$466,819,685</u>	<u>\$ 8,1102,910</u>	<u>\$ 42,419,698</u>	<u>\$ 505,502,897</u>	<u>\$ 20,345,911</u>
Business-type activities					
Certificates of participation	\$ 8,418,114	\$ -	\$ 996,231	\$ 7,421,883	\$ 1,169,626
Revenue bonds	7,824,327	-	1,450,187	6,374,140	1,530,467
Accrual for landfill closure	3,463,000	1,187,000	-	4,650,000	1,187,000
Compensated absences	<u>1,297,319</u>	<u>-</u>	<u>97,906</u>	<u>1,199,413</u>	<u>84,889</u>
Total	<u>\$ 21,002,760</u>	<u>\$ 1,187,000</u>	<u>\$ 2,544,324</u>	<u>\$ 19,645,436</u>	<u>\$ 3,971,982</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
JUNE 30, 2010

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, 2010, are comprised of the following:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Principal Amount</u>	
		<u>Original</u>	<u>Outstanding</u>
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	\$ 40,045,000
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	59,020,000
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	73,830,000
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	147,855,000
August 1, 2009	General Obligation Capital Improvement Bonds of 2009, Series A, 3.00 percent to 5.50 percent interest, annual principal payment beginning in fiscal year 2012, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2029.	50,000,000	50,000,000
August 1, 2009	General Obligation Refunding Bonds of 2009, Series B, 1.25 percent to 3.25 percent interest, annual principal payments beginning in fiscal year 2011, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2021.	20,775,000	20,775,000
Subtotal		<u>\$ 424,515,000</u>	<u>391,525,000</u>
Less: Deferred refunding cost			(2,444,849)
Add: Premium			17,510,458
General obligation debt per statement of net assets			<u>406,590,609</u>
Less current portion, including deferred refunding cost and premium			<u>(11,633,400)</u>
Long-term portion outstanding			<u>\$ 394,957,209</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, 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	\$ 1,890,000
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	27,630,000
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>	49,465,000
Less: Discount applicable to business-type activities			(978)
Deferred refunding cost			(1,842,131)
Add: Premium			<u>1,556,713</u>
Certificate of participation debt per statement of net assets			49,178,604
Less current portion, including deferred refunding cost, premium and discount			<u>(7,680,777)</u>
Long-term portion outstanding			<u>\$ 41,497,827</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010, 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	\$ 6,560,000
		<u>\$ 14,525,000</u>	6,560,000
	Less: Deferred refunding cost applicable to business-type activities		(318,895)
	Add: Premium applicable to business-type activities		<u>133,035</u>
	Revenue bond debt per statement of net assets		6,374,140
	Less current portion, including deferred refunding cost and premium		<u>(1,530,467)</u>
	Long-term portion outstanding		<u>\$ 4,843,673</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, 2010, 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	\$ 280,306
	Less current portion	<u>\$ 791,600</u>	<u>(63,910)</u>
	Debt per statement of net assets		<u>\$ 216,396</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Annual requirements to amortize primary government notes payable outstanding at June 30, 2010, are as follows:

Year Ending June 30	Internal Service Fund	Principal	Interest
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>\$ 320,004</u>	<u>\$ 280,306</u>	<u>\$ 39,698</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, 2010, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	1,375,137	1,624,863
2016-2020	15,000,000	8,151,886	6,848,114
2021-2025	15,000,000	10,770,832	4,229,168
2026-2028	9,000,000	8,059,263	940,737
Total	<u>\$ 54,000,000</u>	<u>\$ 33,151,722</u>	<u>\$ 20,848,278</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, 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	\$ 1,200,486
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	39,550
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	498,054
Leases dated December 2009 to February 2010 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal installments of \$97,901 through November 2013, includes principal and interest at 4.933 percent to 4.964 percent per annum.	702,710	622,201
<u>Internal Service Fund</u>		
Lease dated February 2010 payable to Ontario Investments, Inc for the purchase of new copier equipment. Payable in five annual installments of \$3,078 to \$9,234 through July 2013 and includes principal and interest of 5.114 to 7.807 percent per annum.	28,768	25,858
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	683,923
	<u>\$ 5,162,747</u>	<u>3,070,072</u>
Less current portion		<u>(851,412)</u>
Long-term portion outstanding		<u>\$ 2,218,660</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010**

A summary of the annual requirements are as follows:

Year Ending June 30	Principal	Interest	Totals
2011	\$ 851,412	\$ 185,276	\$ 1,036,688
2012	896,210	131,244	1,027,454
2013	828,793	63,813	892,606
2014	391,816	15,558	407,374
2015	101,841	1,063	102,904
Total	\$ 3,070,072	\$ 396,954	\$ 3,467,026



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2010, 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	
2011	\$ 10,590,000	\$ 17,484,744	\$ 7,740,000	\$ 2,377,856	\$ 1,555,000	\$ 328,000	\$ 40,075,600
2012	12,675,000	17,052,437	4,340,000	2,036,781	1,630,000	250,250	37,984,468
2013	13,865,000	16,532,641	4,270,000	1,833,119	1,710,000	168,750	38,379,510
2014	15,130,000	15,945,302	4,490,000	1,633,050	1,665,000	83,250	38,946,602
2015	16,470,000	15,310,117	4,690,000	1,414,393	-	-	37,884,510
2016	18,015,000	14,589,057	4,920,000	1,178,768	-	-	38,702,825
2017	19,895,000	13,743,357	5,190,000	927,787	-	-	39,756,144
2018	21,715,000	12,764,320	5,450,000	663,513	-	-	40,592,833
2019	23,705,000	11,680,532	4,135,000	385,945	-	-	39,906,477
2020	25,825,000	10,549,538	2,820,000	177,000	-	-	39,371,538
2021	22,400,000	9,440,989	1,420,000	35,500	-	-	33,296,489
2022	23,960,000	8,311,782	-	-	-	-	32,271,782
2023	24,230,000	7,165,839	-	-	-	-	31,395,839
2024	26,425,000	6,010,927	-	-	-	-	32,435,927
2025	28,775,000	4,753,890	-	-	-	-	33,528,890
2026	31,275,000	3,376,612	-	-	-	-	34,651,612
2027	33,935,000	1,882,855	-	-	-	-	35,817,855
2028	17,570,000	687,262	-	-	-	-	18,257,262
2029	5,070,000	133,088	-	-	-	-	5,203,088
Totals	391,525,000	187,415,289	49,465,000	12,663,712	6,560,000	830,250	648,459,251
Less amount in Business-type activities before discounts and deferred costs	-	-	(7,690,091)	(1,942,797)	(6,560,000)	(830,250)	(17,023,138)
Subtotal	391,525,000	187,415,289	41,774,909	10,720,915	-	-	631,436,113
Less discounts and deferred refunding costs	(2,444,849)	-	(1,368,087)	-	-	-	(3,812,936)
Add Premiums	17,510,458	-	1,349,899	-	-	-	18,860,357
Total debt- governmental activity	\$406,590,609	\$ 187,415,289	\$ 41,756,721	\$ 10,720,915	\$ -	\$ -	\$ 646,483,534

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

The annual debt service related to that portion of long-term debt recorded in the primary government's Business-type activities is as follows:

<u>Year Ending June 30</u>	<u>Certificates Of Participation</u>		<u>Revenue Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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	7,690,091	1,942,797	6,560,000	830,250	17,023,138
Less discounts and deferred refunding costs	(475,022)	-	(318,895)	-	(793,917)
Add Premiums	<u>206,814</u>	<u>-</u>	<u>133,035</u>	<u>-</u>	<u>339,849</u>
Total business-type activities debt	<u>\$ 7,421,883</u>	<u>\$ 1,942,797</u>	<u>\$ 6,374,140</u>	<u>\$ 830,250</u>	<u>\$ 16,569,070</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, 2010.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Current Refunding. The County issued \$20,775,000 of general obligation refunding bonds in August 2009 to provide resources to purchase U.S. Government State and Local Government Services Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$16,440,000 of Series 2001 General Obligation Refunding Bonds and \$4,255,000 Series 1999 General Obligation Public Improvement Bonds & Refunding Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Assets – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$3,197,811 over the next eighteen years and resulted in an economic gain of \$2,918,574. At June 30, 2010, \$20,425,000 of the bonds are considered defeased.

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, 2010:

Number of Issues	Current Amount Outstanding (in millions)	Original Issue Amount (in millions)
5	\$234	\$380

The following is a summary of the changes in long-term obligations of the component units for the year ended June 30, 2010:

Component Units:	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due in One year</u>
Accrued compensated absences	\$ 3,063,071	\$ 931,012	\$ (745,516)	\$ 3,248,567	\$ 1,480,271
Net other post employment benefits	1,700,056	756,388	(121,704)	2,334,740	-
General obligation bonds	17,688,975	-	(2,379,364)	15,309,611	1,830,000
Capital lease obligations	8,675,493	2,557,620	(2,149,489)	9,083,624	1,899,269
Revenue bonds	6,646,837	-	(661,157)	5,985,680	665,026
Notes payable	<u>76,473</u>	<u>-</u>	<u>(24,910)</u>	<u>51,563</u>	<u>31,204</u>
Total	<u>\$ 37,850,905</u>	<u>\$ 4,245,020</u>	<u>\$ (6,082,140)</u>	<u>\$ 36,013,785</u>	<u>\$ 5,905,770</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Accrued compensated absences:						
CCL			\$ 945,463	\$ 490,113	\$ (487,145)	\$ 948,431
CCPRC			942,631	51,553	(18,563)	975,621
JIPSD			365,397	61,100	-	426,497
SAPPPC			31,874	4,723	-	36,597
SJFD			639,179	72,780	-	711,959
SPFD			<u>138,527</u>	<u>250,743</u>	<u>(239,808)</u>	<u>149,462</u>
Total accrued compensated absences			<u>3,063,071</u>	<u>931,012</u>	<u>(745,516)</u>	<u>3,248,567</u>
Net other post employment benefits:						
CCPRC			757,870	378,935	-	1,136,805
JIPSD			700,148	377,453	-	1,077,601
SPFD			<u>242,038</u>	<u>-</u>	<u>(121,704)</u>	<u>120,334</u>
Total net other post employment benefits			<u>1,700,056</u>	<u>756,388</u>	<u>(121,704)</u>	<u>2,334,740</u>
General obligation bonds:						
CCPRC	2011 - 2021	2.45% - 4.00%	17,300,000	-	(2,370,000)	14,930,000
JIPSD	2011 - 2037	5.00% - 5.50%	<u>388,975</u>	<u>-</u>	<u>(9,364)</u>	<u>379,611</u>
Total general obligation bonds			<u>17,688,975</u>	<u>-</u>	<u>(2,379,364)</u>	<u>15,309,611</u>
Capital lease obligations:						
CCPRC	2011	2.05% - 4.41%	1,333,628	-	(852,576)	481,052
JIPSD	2011 - 2018	4.07% - 6.88%	1,650,335	845,163	(499,012)	1,996,486
SAPPPC	2011 - 2014	3.45% - 3.50%	87,963	140,000	(61,224)	166,739
SJFD	2011 - 2021	4.36% - 5.593%	5,182,210	1,572,457	(631,232)	6,123,435
SPFD	2011 - 2014	4.67% - 4.86%	<u>421,357</u>	<u>-</u>	<u>(105,445)</u>	<u>315,912</u>
Total capital lease obligations			<u>8,675,493</u>	<u>2,557,620</u>	<u>(2,149,489)</u>	<u>9,083,624</u>
Revenue Bonds:						
SAPPPC	2011 - 2019	3.41% - 3.99%	542,201	-	(136,519)	405,682
JIPSD	2011 - 2037	2.00% - 5.75%	6,626,005	-	(583,110)	6,042,895
Less deferred refunding costs			<u>(521,369)</u>	<u>-</u>	<u>58,472</u>	<u>(462,897)</u>
Total revenue bonds			<u>6,646,837</u>	<u>-</u>	<u>(661,157)</u>	<u>5,985,680</u>
Notes payable						
SAPPPC	2011 - 2019	3.89% - 3.99%	<u>76,473</u>	<u>-</u>	<u>(24,910)</u>	<u>51,563</u>
Total component units long-term obligations			<u>\$37,850,905</u>	<u>\$ 4,245,020</u>	<u>\$ (6,082,140)</u>	<u>\$ 36,013,785</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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>
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	3,225,903	30,902	3,256,805
2016-2020	3,167,085	154,510	3,321,595
2021-2025	630,108	119,444	749,552
2026-2030	-	113,130	113,130
2031-2035	-	113,130	113,130
2036-2038	-	34,878	34,878
Total	17,531,810	689,602	18,221,412
Less interest and plus unamortized premium included above	<u>(2,601,810)</u>	<u>(309,991)</u>	<u>(2,911,801)</u>
Debt per statement of net assets	<u>\$ 14,930,000</u>	<u>\$ 379,611</u>	<u>\$ 15,309,611</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>
2011	\$ 488,985	\$ 510,577	\$ 76,394	\$ 1,097,437	\$ 122,772	\$ 2,296,165
2012	-	456,972	57,713	1,027,697	77,079	1,619,461
2013	-	394,783	33,986	786,731	77,079	1,292,579
2014	-	288,392	6,741	786,731	77,079	1,158,943
2015	-	147,284	-	786,731	-	934,015
2016-2020	-	438,460	-	3,033,907	-	3,472,367
2021-2022	-	-	-	214,402	-	214,402
Future minimum capital lease payments	488,985	2,236,468	174,834	7,733,636	354,009	10,987,932
Less amount representing interest	<u>(7,933)</u>	<u>(239,982)</u>	<u>(8,095)</u>	<u>(1,610,201)</u>	<u>(38,097)</u>	<u>(1,904,308)</u>
Debt per statement of net assets	<u>\$ 481,052</u>	<u>\$ 1,996,486</u>	<u>\$ 166,739</u>	<u>\$ 6,123,435</u>	<u>\$ 315,912</u>	<u>\$ 9,083,624</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Revenue Bonds:

<u>Year ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	<u>Total Component Units</u>
2011	\$ 867,140	\$ 132,532	\$ 999,672
2012	873,739	87,383	961,122
2013	874,340	71,763	946,103
2014	869,140	60,605	929,745
2015	873,079	60,950	934,029
2016-2020	2,513,793	29,958	2,543,751
2021-2025	298,320	-	298,320
2026-2030	298,320	-	298,320
2031-2035	178,236	-	178,236
2036-2039	<u>29,389</u>	<u>-</u>	<u>29,389</u>
Total	7,675,496	443,191	8,118,687
Less interest and deferred refunding costs included above	<u>(2,095,498)</u>	<u>(37,509)</u>	<u>(2,133,007)</u>
Debt per statement of net assets	<u>\$ 5,579,998</u>	<u>\$ 405,682</u>	<u>\$ 5,985,680</u>

Notes Payable:

<u>Year ending June 30</u>	<u>SAPPPC</u>
2011	\$ 7,273
2012	7,274
2013	7,271
2014	7,271
2015	7,271
2016-2020	<u>24,232</u>
Total	60,592
Less interest included above	<u>(9,029)</u>
Debt per statement of net assets	<u>\$ 51,563</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, 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	16,440,000	
Series 2001	<u>3,985,000</u>	
Total General Obligation Bonds	<u>30,735,000</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>6,950,000</u>
Total Revenue Bonds	<u>-</u>	<u>6,950,000</u>
Total primary government	<u>\$ 68,039,936</u>	<u>\$ 15,745,064</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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		\$ 2,923,982,597
Value of merchants inventory and manufacturers depreciation		<u>25,772,493</u>
Total assessed value		<u>\$ 2,949,755,090</u>
 Debt limitation - eight percent of total assessed value		 \$ 235,980,407
 Total bonded debt:		
General Obligation Bonds	\$391,525,000	
Less:		
Bonds issued pursuant to referendum:		
Series 2007 G.O. Bond Transportation Sales tax	\$(147,855,000)	
Series 2006 G.O. Bond Transportation Sales tax	<u>(59,020,000)</u>	
		<u>(206,875,000)</u>
 Total debt subject to debt limit		 <u>184,650,000</u>
 Legal debt margin		 <u>\$ 51,330,407</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$109,412,393 for the current fiscal year.

Designated for rainy day. An amount of \$7,587,696 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 2011 budget ordinance designates \$2,695,037 of the ending fiscal year 2010 General Fund Balance for fiscal year 2011 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, 2010

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 \$2,615,000 reported in the Fund at June 30, 2010, 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 2010 and 2009 were:

Year Ended <u>June 30</u>	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	<u>Claim Payments</u>	Balance at Fiscal Year <u>End</u>
2009	\$ 2,175,000	\$ 4,133,680	\$ (3,558,680)	\$ 2,750,000
2010	2,750,000	3,404,788	(3,539,788)	2,615,000

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.

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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:	<u>DAODAS</u>
Assets:	
Current assets	\$ 3,439,888
Deferred issuance costs	51,471
Capital assets	<u>7,069,773</u>
Total assets	<u>\$ 10,561,132</u>
Liabilities:	
Current liabilities	\$ 415,193
Certificates of participation	3,259,732
Other long-term obligations	<u>356,814</u>
Total liabilities	<u>4,031,739</u>
Net Assets:	
Invested in capital assets, net of related debt	3,810,041
Unrestricted	<u>2,719,352</u>
Total net assets	<u>6,529,393</u>
Total liabilities and net assets	<u>\$ 10,561,132</u>

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

	<u>DAODAS</u>
Operating revenues	\$ 6,124,605
Depreciation and amortization	(262,947)
Other operating expenses	<u>(9,252,041)</u>
Operating income (loss)	<u>(3,390,383)</u>
Nonoperating revenues (expenses):	
Interest income	13,382
Interest expense	(259,920)
Intergovernmental revenue	690,166
Gain (loss) on disposal of assets	<u>3,353</u>
Total nonoperating revenues (expenses)	<u>446,981</u>
Net Transfers in	<u>1,816,688</u>
Change in net assets	(1,126,714)
Beginning net assets	<u>7,656,107</u>
Ending net assets	<u>\$ 6,529,393</u>

Condensed Statement of Cash Flows:

	<u>DAODAS</u>
Net cash provided (used) by:	
Operating activities	\$ (2,918,349)
Noncapital financing activities	2,506,855
Capital and related financing activities	(677,722)
Investing activities	<u>13,382</u>
Net increase (decrease)	<u>(1,075,834)</u>
Beginning cash and cash equivalents	<u>3,493,881</u>
Ending cash and cash equivalents	<u>\$ 2,418,047</u>

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C. Subsequent Events

During August 2010, the County settled a lawsuit concerning construction issues and ongoing repairs of the Judicial Center. The County was awarded \$3,500,000. In November, a partial payment of \$950,000 was received by the County. This will be reported in the construction fund for the use of future capital projects.

Effective July 1, 2010, the Council of Governments assumed the oversight of the Workforce Investment Act (WIA) programs from the County including the Trident One Stop. As a result, the County will no longer report WIA activity as a special revenue fund.

During March 2010, the County entered into an agreement with the City of Charleston where the County is to provide digital radio system and services for the City's police and fire services. The County did not complete the 800 megahertz (MHZ) upgrade until August 2010, at which point the City of Charleston owed the County the first of four payments of \$375,207 over the next three years. This will be reported in the construction fund for the use of future capital projects.

On July 19, 2010, the County entered into a service agreement with American Recycling of South Carolina, LLC (contractor). Effective August 1, 2010, the contractor is to provide recyclable processing services for the County. The term of the agreement shall continue through July 31, 2013, with the option to extend for two additional one-year terms. The County retains ownership of the real property at 13 Romney Street, and all equipment and rolling stock present at the material recovery facility (MRF). The contractor shall be responsible for all aspects of managing, staffing, equipping, operating and maintaining the MRF, and will be funded by the solid waste user fee.

In early December 2010, the County entered into an agreement with Motorola, Inc. for Phase I and Phase II of the County's radio network redesign. The contract price is \$11,013,944 to be paid over the life of the contract period, and will be funded using both the GOB capital projects fund and construction fund.

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, 2010, 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. 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 2011.

On October 7, 2010, St. Paul's Fire District issued General Obligation Debt in the amount of \$3,000,000, bearing interest at 3.45 percent per annum and maturing in 2025. The proceeds of the bond will be used for the purchase of equipment and for construction of various fire facilities.

Subsequent to the current fiscal year end, the City of Charleston, SC completed an audit of the taxes remitted to the James Island Public Service District for the last five years relating to properties which were annexed into the City of Charleston. The City of Charleston is required to remit to the District the portion of ad valorem tax the city collects from annexed properties representing the District's fire department budget that would have been collected by the District had the properties not been annexed into the city. As a result of this audit, the City determined the District had been overpaid \$395,328 in the general fund and overpaid \$35,946 in debt service. The District will repay the excess remittances over a five year period beginning in fiscal year 2011 at the rate of \$79,066 per year in the general fund and \$7,189 through the debt service fund. The City will reduce future year tax payment due to the District.

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At year end, the James Island Public Service District was waiting on the approved loan proceeds from the SC Department of Environmental Control. The loan is to be used to pay \$717,520 of the cost of the Schooner Road project which cost \$974,889, and was completed in July 2010. The SCDHEC-SC Water Quality Revolving Fund Authority loan was approved February 26, 2010. The loan will be amortized in 79 quarterly payments of \$12,509 and a final payment of \$12,508. Payments will begin 90 days after receipt of the loan proceeds. As of November 4, 2010, the District was still waiting to receive the proceeds of this loan.

On September 9, 2010, the Charleston County Park and Recreation Commission purchased a 12.06 acre property on Dorchester Road for the purpose of expanding an adjacent park property for future development. The purchase price of \$1,875,000 was funded by the taxpayer approved half-cent sales tax.

On November 1, 2010, the Charleston County Park and Recreation Commission purchased a tract of land on Highway 171 consisting of approximately 11.7940 acres of highlands and approximately 1.3887 acres of marshlands managed by the Low country Open Land Trust, Inc. for \$1,570,000. The purchase was funded from debt service reserves and is expected to be reimbursed to the Commission from the proceeds of a future Charleston County Park and Recreation Commission General Obligation Bond. The land will remain as green space. There are no current plans to develop the land for park or recreation activities.

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.

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.

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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.

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 intergovernment 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.

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. An amendment dated January 27, 2010, extends the term of the contract until June 30, 2014. This extension is subject to annual approval for continuation by the County. This amendment also fixed the contract amount of \$11,122,273 over a four year period.

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

<u>Year ending June 30</u>	
2011	\$ 3,413,460
2012	3,241,852
2013	2,536,401
2014	<u>1,930,560</u>
TOTAL	<u>\$ 11,122,273</u>

The amount paid for these services for the year-ended June 30, 2010, was \$3,981,320.

On April 7, 2008, the County entered into a ten-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 non-cancelable 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 an 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.

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, 2010, \$0 funds were transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$351,118 has been reserved for beach re-nourishment.

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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, 2010, for the 2010 program year were \$466,372. 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 \$336,306.

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.

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.

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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 \$926,799. Rent started at \$7,400 per month and increases each November based on the current CPI. The new rental per month based on the CPI increased to \$8,102 per month on November 1, 2009. The lease also provided for contingent rentals of 7.25 percent of annual sales greater than \$1,200,000.

August 2009 the Commission and K.L.B. Group entered into an agreement to allow the corporation to exercise the option of extending the lease for an additional five years, with the option terminating on October 31, 2015.

The following is a schedule by years of the minimum future rentals on the non-cancelable operating lease as of June 30, 2010:

<u>Year Ending June 30</u>	<u>Amount</u>
2011	\$ 97,224
2012	97,224
2013	97,224
2014	97,224
2015	97,224
2016	<u>32,408</u>
Total minimum lease rentals	<u>\$ 518,528</u>

Total rent income of \$105,620 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 June 24, 2010, the Commission entered into another one year contract with the City covering the period from July 1, 2010 to June 30, 2011, with essentially identical terms as previous contracts.

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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, 2010, the leased assets have a book value of \$87,727.

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, 2010, the District owes the City \$29,148. This contract was extended for one year until June 30, 2011.

The St. John's Fire District has active construction projects as of June 30, 2010, totaling \$1,330,277, which consists of three fire trucks that are being constructed. A lease was obtained to finance the construction of these trucks and most of the proceeds were used to prepay for their construction in December 2009. The trucks were actually delivered in October 2010. In addition, there are unspent capital lease proceeds remaining in an escrow account totaling \$242,205 at June 30, 2010, which will be used for equipment purchases to outfit the new fire trucks during the year ending June 30, 2011. These unspent funds of \$242,205 remaining in the escrow fund at June 30, 2010, are reflected on the Statement of Net Assets as restricted cash held by escrow agents to construct/purchase capital assets.

In June 2010, the St. John's Fire District signed a contract (and paid \$1,000 as earnest money) to purchase a lot for \$185,000 for the purpose of building a new fire station. As of June 30, 2010, the District has only paid \$1,000 as earnest money on the contract. However, in October 2010, the Commission decided to look for a different location to build the new station and the \$1,000 deposit will be forfeited. The eventual purchase of a lot and subsequent construction of the new station is expected to occur later in the 2010-11 year.

The St. John's Fire District also signed a lease in June 2010 to purchase new air packs, replacing all existing air packs, at a total estimated cost of \$495,000. This equipment is expected to be purchased during 2010-11 using lease proceeds, which will be repaid over seven years with an annual payment of \$78,635 including interest at 3.58 percent per annum.

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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 \$2,088,405 for the fiscal year ending June 30, 2010.

G. Other Post Employment Benefits

Plan Description

The County provides post-employment health, life and dental care benefits, as per the requirement of a local ordinance, for certain retirees and their dependents. This plan is a single employer defined benefit plan. 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, 2006, the St. Paul's Fire District established a policy that allowed retiree insurance benefits. The plan was amended in 2009 to cease coverage at the earlier of the date of death or the date the participant becomes eligible for Medicare coverage. The plan was further curtailed at the end of the 2010 fiscal year, continuing coverage for those individuals who had retired prior to June 30, 2010, but providing no coverage to any employee retiring after that date.

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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 retires 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, 2010, the County recognized expenses of \$1,229,983 for healthcare, which were net of retiree contributions of \$1,154,737. The James Island Public Service District had 25 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$133,185 for health care premium net of retiree contributions of \$34,150. The St. Paul's Fire District had 3 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$12,000 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 actuarial liability (or funding excess) over a period not to exceed 30 years. The current ARC is based on a level percent of payroll increasing at 3%.

For the year ended June 30, 2010, the County's annual OPEB cost was \$4,402,193 for the post employment healthcare plan. The County's annual OPEB cost and net OPE obligation were as follows:

Annual Required Contribution	\$ 4,402,193
Less contributions made	<u>(1,749,534)</u>
Change in net OPEB obligation	2,652,659
Net OPEB obligation beginning of the year	<u>8,286,334</u>
Net OPEB obligation end of the year	<u>\$ 10,938,993</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2008 valuation. The actuarial assumptions included 4.50 percent investment rate of return. For all retirees the healthcare cost trends 2006 to 2008 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, 2010, was twenty-seven years.

Schedule of Employer Contributions

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Funded
2008	\$ 5,874,245	\$ 1,662,441	\$ 4,211,804	28.30%
2009	\$ 5,947,354	\$ 1,872,824	\$ 4,074,530	31.49%
2010	\$ 4,402,193	\$ 1,749,534	\$ 2,652,659	39.74%

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)
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2008	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

H. Funds Held by Coastal Community Foundation

As of June 30, 2010, the Coastal Community Foundation was holding \$354,342 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, \$14,467 is available for grants to the Library.

As of June 30, 2010, the Coastal Community Foundation was holding \$67,328 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, \$2,780 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.

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; and participating employers of the SCPORS contribute .4 percent of payroll to provide a group life insurance benefit and accidental death benefits for their participants.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, 2009, and 2008:

	<u>Fiscal Year Ended June 30</u>		
<u>SCRS Contributions</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Primary government:	\$ 6,038,511	\$ 6,157,100	\$ 5,721,280
Component units:			
CCL	641,886	670,394	684,830
CCPRC	750,734	691,007	605,375
JIPSD	393,616	402,807	363,871
SAPPPC	106,110	109,493	110,901
SJFD	47,767	44,726	42,971
SPFD	<u>9,998</u>	<u>7,633</u>	<u>5,261</u>
Total SCRS	<u>\$ 7,988,622</u>	<u>\$ 8,083,160</u>	<u>\$ 7,534,489</u>
 <u>SCPORS Contributions</u>			
Primary government:	\$ 3,303,451	\$ 3,290,463	\$ 3,157,167
Component units:			
SJFD	492,090	479,814	407,113
SPFD	<u>267,074</u>	<u>236,949</u>	<u>175,945</u>
Total SCPORS	<u>\$ 4,062,615</u>	<u>\$ 4,007,226</u>	<u>\$ 3,740,225</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, 2010 (UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
Primary Government						
7/1/2007	\$ -	\$ 52,972,306	\$ 52,972,306	0%	\$ 93,550,000	56.62%
7/1/2008	\$ -	\$ 52,972,306	\$ 52,972,306	0%	\$ 97,800,000	54.16%
7/1/2009	\$ -	\$ 47,374,110	\$ 47,374,110	0%	\$ 96,600,000	49.04%
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%
<u>7/1/2009</u>						
JIPSD	\$ -	\$ 5,493,663	\$ 5,493,663	0%	\$ 4,227,757	130.00%
CCPRC	\$ -	\$ 3,089,213	\$ 3,089,213	0%	\$ 7,780,156	39.71%
SPFD	\$ -	\$ 120,334	\$ 120,334	0%	\$ -	0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Net OPEB Liability</u>	<u>Percent Funded</u>
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%
2010	\$ 4,402,193	\$ 1,749,534	\$ 2,652,659	39.74%
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%
<u>2010</u>				
JIPSD	\$ 510,638	\$ 133,185	\$ 377,453	26.08%
CCPRC	\$ 378,935	\$ -	\$ 378,935	0%
SPFD	\$ -	\$ -	\$ -	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 expenditures 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. The budget is adopted on a project length basis.

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 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 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, 2010

<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	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	1,088,478	-	-	-
Restricted cash and cash equivalents	941,089	-	-	-
Receivables (net of allowances for uncollectibles)	<u>1,980,428</u>	<u>2,195,353</u>	<u>137,016</u>	<u>956,570</u>
Total assets	<u>\$ 4,009,995</u>	<u>\$ 2,195,353</u>	<u>\$ 137,016</u>	<u>\$ 956,570</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 129,309	\$ 19,245	\$ 190,179
Accrued payroll and fringe benefits	-	46,674	13,397	8,036
Due to other funds	-	1,942,543	80,046	147,934
Intergovernmental payable	3,186,767	35,397	-	98,599
Deferred revenue	-	884	-	86,958
Total liabilities	<u>3,186,767</u>	<u>2,154,807</u>	<u>112,688</u>	<u>531,706</u>
 Fund balances:				
Reserved for encumbrances	-	-	24,328	424,864
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	<u>823,228</u>	<u>40,546</u>	-	-
Total fund balances	<u>823,228</u>	<u>40,546</u>	<u>24,328</u>	<u>424,864</u>
Total liabilities and fund balances	<u>\$ 4,009,995</u>	<u>\$ 2,195,353</u>	<u>\$ 137,016</u>	<u>\$ 956,570</u>

See notes to financial statements.

Special Revenue Funds

<u>Construction Public Works</u>	<u>Economic Development</u>	<u>Education</u>	<u>Emergency Medical Services</u>	<u>Fire Districts</u>	<u>Grants Contributions</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,007,541	629,365	-	-	714,301	3,643
-	-	-	-	-	-
1,741,880	100,000	5,484,588	303	1,853,644	-
<u>\$ 12,749,421</u>	<u>\$ 729,365</u>	<u>\$ 5,484,588</u>	<u>\$ 303</u>	<u>\$ 2,567,945</u>	<u>\$ 3,643</u>
\$ 561,253	\$ 48,844	\$ -	\$ -	\$ 21,448	\$ 3,643
-	13,125	-	-	44,745	-
-	-	70,818	303	-	-
39	28,768	-	-	9,761	-
-	-	5,413,770	-	1,575,425	-
561,292	90,737	5,484,588	303	1,651,379	3,643
12,188,129	38,762	-	-	1,871	-
-	-	-	-	-	-
-	599,866	-	-	914,695	-
12,188,129	638,628	-	-	916,566	-
<u>\$ 12,749,421</u>	<u>\$ 729,365</u>	<u>\$ 5,484,588</u>	<u>\$ 303</u>	<u>\$ 2,567,945</u>	<u>\$ 3,643</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

<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	\$ -	\$ -	\$ 46,336	\$ 50,942
Pooled cash and cash equivalents	235,735	918,351	297,997	1,909,533
Restricted cash and cash equivalents	-	-	-	-
Receivables (net of allowances for uncollectibles)	1,400	2,988	482,746	9,019
Total assets	\$ 237,135	\$ 921,339	\$ 827,079	\$ 1,969,494
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 4,372	\$ 31,755	\$ 45,291	\$ 20,209
Accrued payroll and fringe benefits	2,382	132,627	18,217	7,524
Due to other funds	-	-	-	-
Intergovernmental payable	-	7,609	11,427	7,990
Deferred revenue	-	-	10,000	-
Total liabilities	6,754	171,991	84,935	35,723
 Fund balances:				
Reserved for encumbrances	9,024	3,040	301,187	11,108
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent years' appropriation	221,357	746,308	440,957	1,922,663
Total fund balances	230,381	749,348	742,144	1,933,771
Total liabilities and fund balances	\$ 237,135	\$ 921,339	\$ 827,079	\$ 1,969,494

See notes to financial statements.

Special Revenue Funds					Capital Projects Funds
Sollcitor	Storm Water Drainage	Victim Notification	Workforce Investment Act	Charleston Development Corp	Construction
\$ 2,173,711	\$ -	\$ 31,043	\$ -	\$ -	\$ -
-	2,036,276	64,362	33,882	32,591	6,704,344
-	-	-	-	-	-
174,094	685,079	-	2,545,010	-	-
<u>\$ 2,347,805</u>	<u>\$ 2,721,355</u>	<u>\$ 95,405</u>	<u>\$ 2,578,892</u>	<u>\$ 32,591</u>	<u>\$ 6,704,344</u>
\$ 4,442	\$ 29,988	\$ 400	\$ 542,403	\$ -	\$ 33,406
53,700	29,177	13,973	50,756	-	-
83,216	-	-	1,960,957	-	-
32,556	-	-	22,034	-	-
-	-	-	2,742	-	-
173,914	59,165	14,373	2,578,892	-	33,406
-	562,397	-	-	-	-
-	-	-	-	-	6,670,938
2,173,891	2,099,793	81,032	-	32,591	-
2,173,891	2,662,190	81,032	-	32,591	6,670,938
<u>\$ 2,347,805</u>	<u>\$ 2,721,355</u>	<u>\$ 95,405</u>	<u>\$ 2,578,892</u>	<u>\$ 32,591</u>	<u>\$ 6,704,344</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

<u>Capital Projects Funds</u>					
<u>ASSETS</u>	<u>Equipment Replacement Fund</u>	<u>General Services Construction</u>	<u>ITS / MIS</u>	<u>Public Works Construction</u>	<u>Total Nonmajor Governmental Funds</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,302,032
Pooled cash and cash equivalents	1,253,793	141,859	2,987,262	15,430	30,074,743
Restricted cash and cash equivalents	-	-	-	-	941,089
Receivables (net of allowances for uncollectibles)	-	-	-	-	18,350,118
Total assets	\$ 1,253,793	\$ 141,859	\$ 2,987,262	\$ 15,430	\$ 51,667,982
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 308	\$ 7,628	\$ -	\$ 15,430	\$ 1,709,553
Accrued payroll and fringe benefits	-	-	-	-	434,333
Due to other funds	-	-	-	-	4,285,817
Intergovernmental payable	446	-	2,120	-	3,443,513
Deferred revenue	-	-	-	-	7,089,779
Total liabilities	754	7,628	2,120	15,430	16,962,995
 Fund balances:					
Reserved for encumbrances	-	-	-	-	13,564,710
Reserved for capital projects	1,253,039	134,231	2,985,142	-	11,043,350
Unreserved:					
Designated for subsequent years' appropriation	-	-	-	-	10,096,927
Total fund balances	1,253,039	134,231	2,985,142	-	34,704,987
Total liabilities and fund balances	\$ 1,253,793	\$ 141,859	\$ 2,987,262	\$ 15,430	\$ 51,667,982

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, 2010

	Special Revenue Funds			
	Accommodations	American Recovery & Reinvestment Act	Child Support Enforcement	Community Development
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	79,457	4,311,591	948,676	2,983,133
Permits and licenses	-	-	-	-
Fines and forfeitures	-	-	-	-
Service charges	8,851,895	-	-	-
Interest	14,864	-	-	-
Rental and use of property	-	-	-	-
Other revenues	-	-	-	24,891
Total revenues	8,946,216	4,311,591	948,676	3,008,024
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	57,756	75,718	-
Judicial	-	880,713	689,857	-
Public works	-	-	-	-
Health and welfare	-	3,398,499	-	3,116,386
Economic development	-	-	-	-
Culture and recreation	8,208,629	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	8,208,629	4,336,968	765,575	3,116,386
Excess (deficiency) of revenues over (under) expenditures	737,587	(25,377)	183,101	(108,362)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	39,098	469,571	-	62,680
Transfers out	(27,729)	(423,136)	(167,722)	(51,644)
Proceeds from sale of capital assets	-	19,488	-	-
Total other financing sources (uses)	11,369	65,923	(167,722)	11,036
Net change in fund balance	748,956	40,546	15,379	(97,326)
Fund balances at beginning of year	74,272	-	8,949	522,190
Fund balances at end of year	\$ 823,228	\$ 40,546	\$ 24,328	\$ 424,864

See notes to financial statements.

Special Revenue Funds

Construction Public Works	Economic Development	Education	Emergency Medical Services	Fire Districts	Grants Contributions
\$ -	\$ 749,880	\$ 5,569,517	\$ -	\$ 1,625,886	\$ -
3,964,103	5,150,000	150,036	36,203	602,575	-
-	-	-	-	-	-
-	-	-	-	-	-
55,830	-	-	-	-	-
-	-	-	-	-	-
-	100,000	-	303	5,433	13,452
4,019,933	5,999,880	5,719,553	36,506	2,233,894	13,452
-	-	-	-	-	-
-	-	-	38,639	1,951,462	-
4,657,792	-	-	-	-	-
-	-	-	-	-	16,110
-	6,121,263	-	-	-	-
-	-	5,719,553	-	-	-
-	-	-	-	-	-
-	-	-	-	667,374	-
4,657,792	6,121,263	5,719,553	38,639	2,618,836	16,110
(637,859)	(121,383)	-	(2,133)	(384,942)	(2,658)
-	-	-	-	-	-
8,573,171	45,910	-	2,133	14,213	-
(8,573,171)	(800)	-	-	(14,213)	-
-	-	-	-	-	-
-	45,110	-	2,133	-	-
(637,859)	(76,273)	-	-	(384,942)	(2,658)
12,825,988	714,901	-	-	1,301,508	2,658
\$ 12,188,129	\$ 638,628	\$ -	\$ -	\$ 916,566	\$ -

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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, 2010

	Hazardous Materials Enforcement	Public Defender	Safety Enforcement	Sheriff
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,403,239	852,766	103,500
Permits and licenses	-	-	12,500	-
Fines and forfeitures	-	-	78,314	403,694
Service charges	157,840	232,115	-	-
Interest	-	4,550	569	3,060
Rental and use of property	-	-	-	-
Other revenues	-	-	122,527	458,173
Total revenues	157,840	1,639,904	1,066,676	968,427
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	178,274	-	602,491	505,726
Judicial	-	4,438,610	397,509	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	178,274	4,438,610	1,000,000	505,726
Excess (deficiency) of revenues over (under) expenditures	(20,434)	(2,798,706)	66,676	462,701
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	49,444	2,697,794	12,785	84,782
Transfers out	-	-	(62,803)	-
Proceeds from sale of capital assets	-	-	834	5,411
Total other financing sources (uses)	49,444	2,697,794	(49,184)	90,193
Net change in fund balance	29,010	(100,912)	17,492	552,894
Fund balances at beginning of year	201,371	850,260	724,652	1,380,877
Fund balances at end of year	\$ 230,381	\$ 749,348	\$ 742,144	\$ 1,933,771

See notes to financial statements.

Special Revenue Funds

Solicitor	Storm Water Drainage	Victim Notification	Workforce Investment Act	Charleston Development Corp
\$ -	\$ -	\$ -	\$ -	\$ -
886,747	703,101	5,430	6,061,393	-
-	-	-	-	-
16,837	-	420,507	-	-
796,538	1,159,421	-	117,678	-
27,242	8,131	-	-	152
-	-	-	44,223	-
-	-	-	-	-
1,727,364	1,870,653	425,937	6,223,294	152
-	-	-	-	-
-	-	283,208	-	-
1,689,909	-	249,282	-	-
-	1,250,242	-	-	-
-	-	-	6,256,890	1,524
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,689,909	1,250,242	532,490	6,256,890	1,524
37,455	620,411	(106,553)	(33,596)	(1,372)
-	-	-	-	-
235,937	-	-	22,440	-
(228,877)	(11,842)	-	(22,440)	-
-	-	-	-	-
7,060	(11,842)	-	-	-
44,515	608,569	(106,553)	(33,596)	(1,372)
2,129,376	2,053,621	187,585	33,596	33,963
\$ 2,173,891	\$ 2,662,190	\$ 81,032	\$ -	\$ 32,591

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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, 2010

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	General Services Construction	ITS / MIS	Public Works Construction	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,945,283
Intergovernmental	-	-	141,186	76,000	-	28,459,136
Permits and licenses	-	-	-	-	-	12,500
Fines and forfeitures	-	-	-	-	-	919,352
Service charges	-	-	-	-	-	11,315,487
Interest	11,158	11,590	-	19,244	-	156,390
Rental and use of property	-	-	-	-	-	44,223
Other revenues	-	906	-	-	-	725,685
Total revenues	11,158	12,496	141,186	95,244	-	49,578,056
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	3,693,274
Judicial	-	-	-	-	-	8,345,880
Public works	-	-	-	-	-	5,908,034
Health and welfare	-	-	-	-	-	12,789,409
Economic development	-	-	-	-	-	6,121,263
Culture and recreation	-	-	-	-	-	8,208,629
Education	-	-	-	-	-	5,719,553
Capital outlay	534,967	-	143,210	1,103,758	40,454	1,822,389
Debt service	-	-	-	-	-	667,374
Total expenditures	534,967	-	143,210	1,103,758	40,454	53,275,805
Excess (deficiency) of revenues over (under) expenditures	(523,809)	12,496	(2,024)	(1,008,514)	(40,454)	(3,697,749)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	702,710	-	702,710
Transfers in	4,974,956	342,091	-	73,000	-	17,700,005
Transfers out	(535,396)	(1,429,110)	-	(1,050,174)	(145,739)	(12,744,796)
Proceeds from sale of capital assets	416,028	24,152	-	-	-	465,913
Total other financing sources (uses)	4,855,588	(1,062,867)	-	(274,464)	(145,739)	6,123,832
Net change in fund balance	4,331,779	(1,050,371)	(2,024)	(1,282,978)	(186,193)	2,426,083
Fund balances at beginning of year	2,339,159	2,303,410	136,255	4,268,120	186,193	32,278,904
Fund balances at end of year	\$ 6,670,938	\$ 1,253,039	\$ 134,231	\$ 2,985,142	\$ -	\$ 34,704,987

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, 2010**

	<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	\$ 79,457	\$ 79,457	\$ -
Service charges	8,100,000	8,260,025	8,851,895	591,870
Interest	25,000	25,122	14,864	(10,258)
Total revenues	<u>8,170,666</u>	<u>8,364,604</u>	<u>8,946,216</u>	<u>581,612</u>
Expenditures:				
Current:				
Culture and recreation	3,653,114	8,195,356	8,208,629	(13,273)
Total expenditures	<u>3,653,114</u>	<u>8,195,356</u>	<u>8,208,629</u>	<u>(13,273)</u>
Excess of revenues over expenditures	<u>4,517,552</u>	<u>169,248</u>	<u>737,587</u>	<u>568,339</u>
Other financing sources (uses):				
Transfers in	-	39,098	39,098	-
Transfers out	(4,376,033)	(27,729)	(27,729)	-
Total other financing sources (uses)	<u>(4,376,033)</u>	<u>11,369</u>	<u>11,369</u>	<u>-</u>
Net change in fund balance	141,519	180,617	748,956	568,339
Fund balance at beginning of year	<u>74,272</u>	<u>74,272</u>	<u>74,272</u>	<u>-</u>
Fund balance at end of year	<u>\$ 215,791</u>	<u>\$ 254,889</u>	<u>\$ 823,228</u>	<u>\$ 568,339</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, 2010**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 876,128	\$ 889,251	\$ 948,676	\$ 59,425
Total revenues	<u>876,128</u>	<u>889,251</u>	<u>948,676</u>	<u>59,425</u>
Expenditures:				
Current:				
Public safety	76,128	75,718	75,718	-
Judicial	665,475	714,184	689,857	24,327
Total expenditures	<u>741,603</u>	<u>789,902</u>	<u>765,575</u>	<u>24,327</u>
Excess of revenues over expenditures	<u>134,525</u>	<u>99,349</u>	<u>183,101</u>	<u>83,752</u>
Other financing uses:				
Transfers out	<u>(134,525)</u>	<u>(163,017)</u>	<u>(167,722)</u>	<u>(4,705)</u>
Net change in fund balance	-	(63,668)	15,379	79,047
Fund balance at beginning of year	<u>8,949</u>	<u>8,949</u>	<u>8,949</u>	-
Fund balance at end of year	<u>\$ 8,949</u>	<u>\$ (54,719)</u>	<u>\$ 24,328</u>	<u>\$ 79,047</u>

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, 2010**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 645,000	\$ 645,000	\$ 749,880	\$ 104,880
Intergovernmental	-	5,150,000	5,150,000	-
Other revenues	-	100,000	100,000	-
Total revenues	<u>645,000</u>	<u>5,895,000</u>	<u>5,999,880</u>	<u>104,880</u>
Expenditures:				
Current:				
Economic development	763,346	6,358,546	6,121,263	237,283
Total expenditures	<u>763,346</u>	<u>6,358,546</u>	<u>6,121,263</u>	<u>237,283</u>
Deficiency of revenues under expenditures	<u>(118,346)</u>	<u>(463,546)</u>	<u>(121,383)</u>	<u>342,163</u>
Other financing sources (uses):				
Transfers in	-	46,000	45,910	(90)
Transfers out	-	-	(800)	(800)
Total other financing sources (uses)	<u>-</u>	<u>46,000</u>	<u>45,110</u>	<u>(890)</u>
Net change in fund balance	<u>(118,346)</u>	<u>(417,546)</u>	<u>(76,273)</u>	<u>341,273</u>
Fund balance at beginning of year	<u>714,901</u>	<u>714,901</u>	<u>714,901</u>	<u>-</u>
Fund balance at end of year	<u>\$ 596,555</u>	<u>\$ 297,355</u>	<u>\$ 638,628</u>	<u>\$ 341,273</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, 2010**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 5,682,886	\$ 5,743,146	\$ 5,569,517	\$ (173,629)
Intergovernmental	-	-	150,036	150,036
Total revenues	<u>5,682,886</u>	<u>5,743,146</u>	<u>5,719,553</u>	<u>(23,593)</u>
Expenditures:				
Current:				
Education	<u>5,682,886</u>	<u>5,743,146</u>	<u>5,719,553</u>	<u>23,593</u>
Total expenditures	<u>5,682,886</u>	<u>5,743,146</u>	<u>5,719,553</u>	<u>23,593</u>
Excess of revenues over expenditures	-	-	-	-
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>\$ -</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, 2010**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,605,611	\$ 1,848,916	\$ 1,625,886	\$ (223,030)
Intergovernmental	517,011	517,011	602,575	85,564
Other revenues	-	-	5,433	5,433
Total revenues	<u>2,122,622</u>	<u>2,365,927</u>	<u>2,233,894</u>	<u>(132,033)</u>
Expenditures:				
Current:				
Public safety	2,089,701	2,381,487	1,951,462	430,025
Debt service	144,657	667,376	667,374	2
Total expenditures	<u>2,234,358</u>	<u>3,048,863</u>	<u>2,618,836</u>	<u>430,027</u>
Deficiency of revenues under expenditures	<u>(111,736)</u>	<u>(682,936)</u>	<u>(384,942)</u>	<u>297,994</u>
Other financing sources (uses):				
Transfers in	-	21,320	14,213	7,107
Transfers out	-	(14,213)	(14,213)	-
Total other financing sources	-	7,107	-	7,107
Net change in fund balance	(111,736)	(675,829)	(384,942)	290,887
Fund balance at beginning of year	<u>1,301,508</u>	<u>1,301,508</u>	<u>1,301,508</u>	-
Fund balance at end of year	<u>\$ 1,189,772</u>	<u>\$ 625,679</u>	<u>\$ 916,566</u>	<u>\$ 290,887</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, 2010**

	<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	\$ -	\$ (10,000)
Service charges	155,000	155,000	157,840	2,840
Total revenues	165,000	165,000	157,840	(7,160)
Expenditures:				
Current:				
Public safety	221,842	221,342	178,274	43,068
Total expenditures	221,842	221,342	178,274	43,068
Deficiency of revenues under expenditures	(56,842)	(56,342)	(20,434)	35,908
Other financing sources:				
Transfers in	-	49,444	49,444	-
Net change in fund balance	(56,842)	(6,898)	29,010	35,908
Fund balance at beginning of year	201,371	201,371	201,371	-
Fund balance at end of year	\$ 144,529	\$ 194,473	\$ 230,381	\$ 35,908

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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,358,209	\$ 1,149,824	\$ 1,403,239	\$ 253,415
Service charges	156,000	156,000	232,115	76,115
Interest	-	-	4,550	4,550
Total revenues	<u>1,514,209</u>	<u>1,305,824</u>	<u>1,639,904</u>	<u>334,080</u>
Expenditures:				
Current:				
Judicial	4,427,856	4,428,181	4,438,610	(10,429)
Total expenditures	<u>4,427,856</u>	<u>4,428,181</u>	<u>4,438,610</u>	<u>(10,429)</u>
Deficiency of revenues under expenditures	<u>(2,913,647)</u>	<u>(3,122,357)</u>	<u>(2,798,706)</u>	<u>323,651</u>
Other financing sources:				
Transfers in	<u>2,697,794</u>	<u>2,697,794</u>	<u>2,697,794</u>	<u>-</u>
Net change in fund balance	<u>(215,853)</u>	<u>(424,563)</u>	<u>(100,912)</u>	<u>323,651</u>
Fund balance at beginning of year	<u>850,260</u>	<u>850,260</u>	<u>850,260</u>	<u>-</u>
Fund balance at end of year	<u>\$ 634,407</u>	<u>\$ 425,697</u>	<u>\$ 749,348</u>	<u>\$ 323,651</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 103,500	\$ -
Fines and forfeitures	399,026	399,026	403,694	4,668
Interest	-	-	3,060	3,060
Other revenues	397,000	397,000	458,173	61,173
Total revenues	899,526	899,526	968,427	68,901
Expenditures:				
Current:				
Public safety	691,293	902,914	505,726	397,188
Total expenditures	691,293	902,914	505,726	397,188
Excess (deficiency) of revenues (under) expenditures	208,233	(3,388)	462,701	466,089
Other financing sources (uses):				
Transfers in	76,074	84,782	84,782	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	5,411	5,411
Total other financing sources	76,074	84,782	90,193	5,411
Net change in fund balance	284,307	81,394	552,894	471,500
Fund balance at beginning of year	1,380,877	1,380,877	1,380,877	-
Fund balance at end of year	\$ 1,665,184	\$ 1,462,271	\$ 1,933,771	\$ 471,500

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, 2010**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 867,643	\$ 867,643	\$ 886,747	\$ 19,104
Fines and forfeitures	40,000	40,000	16,837	(23,163)
Service charges	847,644	912,059	796,538	(115,521)
Interest	-	-	27,242	27,242
Total revenues	<u>1,755,287</u>	<u>1,819,702</u>	<u>1,727,364</u>	<u>(92,338)</u>
Expenditures:				
Current:				
Judicial	2,284,601	2,006,078	1,689,909	316,169
Total expenditures	<u>2,284,601</u>	<u>2,006,078</u>	<u>1,689,909</u>	<u>316,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(529,314)</u>	<u>(186,376)</u>	<u>37,455</u>	<u>223,831</u>
Other financing sources (uses):				
Transfers in	433,497	235,937	235,937	-
Transfers out	(554,767)	(230,810)	(228,877)	1,933
Total other financing sources (uses)	<u>(121,270)</u>	<u>5,127</u>	<u>7,060</u>	<u>1,933</u>
Net change in fund balance	<u>(650,584)</u>	<u>(181,249)</u>	<u>44,515</u>	<u>225,764</u>
Fund balance at beginning of year	<u>2,129,376</u>	<u>2,129,376</u>	<u>2,129,376</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,478,792</u>	<u>\$ 1,948,127</u>	<u>\$ 2,173,891</u>	<u>\$ 225,764</u>

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, 2010**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 658,500	\$ 658,500	\$ 703,101	\$ 44,601
Service charges	1,190,000	1,190,000	1,159,421	(30,579)
Interest	-	-	8,131	8,131
Total revenues	<u>1,848,500</u>	<u>1,848,500</u>	<u>1,870,653</u>	<u>22,153</u>
Expenditures:				
Current:				
Public works	1,848,500	1,978,647	1,250,242	728,405
Total expenditures	<u>1,848,500</u>	<u>1,978,647</u>	<u>1,250,242</u>	<u>728,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(130,147)</u>	<u>620,411</u>	<u>750,558</u>
Other financing uses:				
Transfers out	-	(11,842)	(11,842)	-
Net change in fund balance	-	(141,989)	608,569	750,558
Fund balance at beginning of year	<u>2,053,621</u>	<u>2,053,621</u>	<u>2,053,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,053,621</u>	<u>\$ 1,911,632</u>	<u>\$ 2,662,190</u>	<u>\$ 750,558</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 2,500	\$ 2,500	\$ 5,430	\$ 2,930
Fines and forfeitures	440,000	440,000	420,507	(19,493)
Total revenues	442,500	442,500	425,937	(16,563)
Expenditures:				
Current:				
Public safety	291,319	291,319	283,208	8,111
Judicial	278,671	279,941	249,282	30,659
Total expenditures	569,990	571,260	532,490	38,770
Deficiency of revenues under expenditures	(127,490)	(128,760)	(106,553)	22,207
Net change in fund balance	(127,490)	(128,760)	(106,553)	22,207
Fund balance at beginning of year	187,585	187,585	187,585	-
Fund balance at end of year	<u>\$ 60,095</u>	<u>\$ 58,825</u>	<u>\$ 81,032</u>	<u>\$ 22,207</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 VICTIM NOTIFICATION SPECIAL REVENUE FUND
 SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
 June 30, 2010

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal Wildlife/littering	\$ 2,466,294	\$ -	\$ 2,466,294	\$ 2,466,294	\$ -	\$ 2,466,294
DUI/DUS/BUI	27,707	27,707	-	-	-	-
Assessments	70,750	70,750	-	-	-	-
Surcharges	1,804,817	1,665,512	139,305	-	139,305	139,305
	641,031	551,691	89,340	-	89,340	89,340
	5,010,599	2,315,660	2,694,939	2,466,294	228,645	2,694,939
Clerk of Court:						
Fines:						
Fines and Fees	1,639,076	1,150,724	488,352	488,352	-	488,352
Family court	2,199,692	1,040,292	1,159,400	1,159,400	-	1,159,400
DUI/DUS/BUI	16,963	16,963	-	-	-	-
Assessments	98,402	63,968	34,434	-	34,434	34,434
Surcharges	260,102	102,674	157,428	-	157,428	157,428
	4,214,235	2,374,621	1,839,614	1,647,752	191,862	1,839,614
	\$ 9,224,834	\$ 4,690,281	\$ 4,534,553	\$ 4,114,046	\$ 420,507	\$ 4,534,553

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, 2010

<u>ASSETS</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Current assets:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 312,061	\$ 312,761
Pooled cash and cash equivalents	2,417,347	4,423,337	312,458	1,245,478	8,398,620
Receivables (net of allowances for uncollectibles)	1,021,841	1,019,465	31,200	-	2,072,506
Total current assets	3,439,888	5,442,802	343,658	1,557,539	10,783,887
Deferred issuance costs	51,471	-	-	-	51,471
Capital assets:					
Buildings	9,554,391	-	-	-	9,554,391
Improvements other than buildings	270,255	-	-	-	270,255
Machinery and equipment	226,584	1,758,281	199,675	-	2,184,540
Less accumulated depreciation	(2,981,457)	(937,892)	(69,278)	-	(3,988,627)
Total capital assets (net of accumulated depreciation)	7,069,773	820,389	130,397	-	8,020,559
Total noncurrent assets	7,121,244	820,389	130,397	-	8,072,030
Total assets	10,561,132	6,263,191	474,055	1,557,539	18,855,917

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2010

<u>LIABILITIES AND EQUITY</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Current liabilities:					
Accounts payable	\$ 100,053	\$ 261,791	\$ 215,267	\$ 30,040	\$ 607,151
Accrued payroll and fringe benefits	222,700	7,076	4,519	47,803	282,098
Compensated absences-current	61,149	-	-	-	61,149
Intergovernmental payable	16,728	6,775	109	1,285,671	1,309,283
Accrued interest payable	14,563	-	-	-	14,563
Certificates of participation - current	505,518	-	-	-	505,518
Total current liabilities	920,711	275,642	219,895	1,363,514	2,779,762
Noncurrent liabilities:					
Certificates of participation (net of unamortized discounts)	2,754,214	-	-	-	2,754,214
Compensated absences	356,814	8,170	11,220	147,481	523,685
Total noncurrent liabilities	3,111,028	8,170	11,220	147,481	3,277,899
Total liabilities	4,031,739	283,812	231,115	1,510,995	6,057,661
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	3,810,041	820,389	130,397	-	4,760,827
Unrestricted	2,719,352	5,158,990	112,543	46,544	8,037,429
Total net assets	\$ 6,529,393	\$ 5,979,379	\$ 242,940	\$ 46,544	\$ 12,798,256

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, 2010

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Operating revenues:					
Charges for services	\$ 6,118,150	\$ 2,070,562	\$ 1,283,425	\$ 1,855,427	\$ 11,327,564
Other revenues	6,455	-	-	98	6,553
Total operating revenues	6,124,605	2,070,562	1,283,425	1,855,525	11,334,117
Operating expenses:					
Personnel services	6,142,458	131,519	162,413	1,481,334	7,917,724
Contractual services	444,861	-	315,269	118,681	878,811
Materials and supplies	441,684	16,746	240,572	12,197	711,199
Utilities	218,767	730,364	-	-	949,131
Repairs and maintenance	190,188	84,352	1,129,082	1,613	1,405,235
Rental expenses	122,381	-	127,334	-	249,715
Vehicle fleet charges	28,305	-	4,738	15,297	48,340
Other expenses	1,663,397	152,290	977,389	447,198	3,240,274
Depreciation and amortization	262,947	183,226	28,009	-	474,182
Total operating expenses	9,514,988	1,298,497	2,984,806	2,076,320	15,874,611
Operating income (loss)	(3,390,383)	772,065	(1,701,381)	(220,795)	(4,540,494)
Nonoperating revenues (expenses):					
Interest income	13,382	20,678	550	17,248	51,858
Interest expense	(259,920)	-	-	-	(259,920)
Intergovernmental revenues	690,166	-	-	-	690,166
Gain (loss) on disposal of capital assets	3,353	(2,000)	-	-	1,353
Total nonoperating revenues (expenses)	446,981	18,678	550	17,248	483,457
Income (loss) before transfers	(2,943,402)	790,743	(1,700,831)	(203,547)	(4,057,037)
Transfers out	(867,815)	-	-	(89,187)	(957,002)
Transfers in	2,684,503	-	1,445,111	200,000	4,329,614
Change in net assets	(1,126,714)	790,743	(255,720)	(92,734)	(684,425)
Total net assets - beginning	7,656,107	5,188,636	498,660	139,278	13,482,681
Total net assets - ending	\$ 6,529,393	\$ 5,979,379	\$ 242,940	\$ 46,544	\$ 12,798,256

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2010

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 6,360,230	\$ 1,253,249	\$ 1,262,893	\$ 1,869,938	\$ 10,746,310
Cash payments to suppliers for goods and services	(3,100,166)	(716,008)	(2,598,151)	(525,613)	(6,939,938)
Cash payments to employees for services	(6,178,413)	(126,188)	(161,171)	(1,466,802)	(7,932,574)
Net cash provided by (used in) operating activities	(2,918,349)	411,053	(1,496,429)	(122,477)	(4,126,202)
Cash flows from noncapital financing activities:					
Transfers in	2,684,503	-	1,445,111	200,000	4,329,614
Transfers (out)	(867,815)	-	-	(89,187)	(957,002)
Intergovernmental receipt	690,167	-	-	-	690,167
Net cash provided by noncapital financing activities	2,506,855	-	1,445,111	110,813	4,062,779
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(485,742)	-	-	-	(485,742)
Interest paid	(195,333)	-	-	-	(195,333)
Acquisition and construction of capital assets	-	(115,751)	(132,144)	-	(247,895)
Proceeds from sale of capital assets	3,353	-	-	-	3,353
Net cash used in capital and related financing activities	(677,722)	(115,751)	(132,144)	-	(925,617)
Cash flows from investing activities:					
Interest received	13,382	20,678	550	17,248	51,858
Net cash provided by investing activities	13,382	20,678	550	17,248	51,858
Net increase (decrease) in cash and cash equivalents	(1,075,834)	315,980	(182,912)	5,584	(937,182)
Cash and cash equivalents at beginning of year	3,493,881	4,107,357	495,370	1,551,955	9,648,563
Cash and cash equivalents at end of year	\$ 2,418,047	\$ 4,423,337	\$ 312,458	\$ 1,557,539	\$ 8,711,381
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 312,061	\$ 312,761
Pooled cash and cash equivalents	2,417,347	4,423,337	312,458	1,245,478	8,398,620
Cash and cash equivalents at end of year	\$ 2,418,047	\$ 4,423,337	\$ 312,458	\$ 1,557,539	\$ 8,711,381

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2010

	<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)	\$ (3,390,383)	\$ 772,065	\$ (1,701,381)	\$ (220,795)	\$ (4,540,494)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	262,947	183,226	28,009	-	474,182
Changes in assets and liabilities:					
Decrease (increase) in receivables	235,625	(817,311)	(20,532)	14,413	(587,805)
Increase in accounts payable	9,417	267,742	196,233	69,373	542,765
Increase in accrued payroll	(35,955)	5,331	1,242	14,532	(14,850)
Total adjustments	472,034	(361,012)	204,952	98,318	414,292
Net cash provided by (used in) operating activities	<u>\$ (2,918,349)</u>	<u>\$ 411,053</u>	<u>\$ (1,496,429)</u>	<u>\$ (122,477)</u>	<u>\$ (4,126,202)</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 and payments from retirees. 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, 2010

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 1,419,399	\$ 356,878	\$ 4,985,147	\$ 11,239,887	\$ 287,853	\$ 18,289,164
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	79,560	373	7,920	11,350	1,002	100,205
Due from other funds	-	-	114,881	493,532	-	608,413
Inventories	291,462	-	-	-	-	291,462
Total current assets	1,790,421	357,251	5,232,948	11,744,769	288,855	19,414,244
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	24,379,380	1,579,928	135,564	-	430,108	26,524,980
Less accumulated depreciation	(16,921,516)	(881,335)	(97,516)	-	(385,461)	(18,285,828)
Total capital assets (net of accumulated depreciation)	9,008,367	843,773	38,048	-	44,647	9,934,835
Total assets	10,798,788	1,201,024	5,270,996	11,744,769	333,502	29,349,079
LIABILITIES						
Current liabilities:						
Accounts payable	501,006	108,440	2,641,205	11,950	157,096	3,419,697
Accrued payroll and fringe benefits	64,317	23,728	13,271	-	9,636	110,952
Compensated absences-current	-	5,849	-	-	-	5,849
Intergovernmental payable	2,016	-	483,099	-	-	485,115
Accrued interest payable	8,524	-	-	-	-	8,524
Note payable - current	63,910	-	-	-	-	63,910
Lease payable - current	-	220,088	-	-	-	220,088
Total current liabilities	639,773	358,105	3,137,575	11,950	166,732	4,314,135
Noncurrent liabilities:						
OPEB liability	-	-	-	10,938,993	-	10,938,993
Compensated absences	258,085	63,334	30,292	-	4,100	355,811
Lease payable	-	489,692	-	-	-	489,692
Note payable	216,396	-	-	-	-	216,396
Total noncurrent liabilities	474,481	553,026	30,292	10,938,993	4,100	12,000,892
Total liabilities	1,114,254	911,131	3,167,867	10,950,943	170,832	16,315,027
NET ASSETS						
Invested in capital assets, net of related debt	8,728,061	133,993	38,048	-	44,647	8,944,749
Unrestricted	956,473	155,900	2,065,081	793,826	118,023	4,089,303
Total net assets	\$ 9,684,534	\$ 289,893	\$ 2,103,129	\$ 793,826	\$ 162,670	\$ 13,034,052

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, 2010

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 9,382,993	\$ 1,492,201	\$ 3,482,493	\$ 22,377,224	\$ 1,551,266	\$ 38,286,177
Total operating revenues	9,382,993	1,492,201	3,482,493	22,377,224	1,551,266	38,286,177
Operating expenses:						
Personnel services	1,818,409	795,309	449,490	-	279,470	3,342,678
Contractual services	6,045	2,752	3,580,575	-	-	3,589,372
Materials and supplies	6,112,908	452,827	135,329	-	4,412	6,705,476
Utilities	117,819	21,886	-	-	1,125,064	1,264,769
Repairs and maintenance	13,497	185,640	38,396	-	22,073	259,606
Rental expenses	-	36,757	-	-	-	36,757
Vehicle fleet charges	66,486	11,314	12,446	-	3,997	94,243
Employee benefits	-	-	-	22,570,935	-	22,570,935
Other expenses	1,099,995	24,465	27,158	-	14,197	1,165,815
Depreciation	2,435,989	270,106	33,049	-	44,110	2,783,254
Total operating expenses	11,671,148	1,801,056	4,276,443	22,570,935	1,493,323	41,812,905
Operating income (loss)	(2,288,155)	(308,855)	(793,950)	(193,711)	57,943	(3,526,728)
Nonoperating revenues (expenses):						
Interest income	-	-	26,563	46,928	-	73,491
Interest expense	(17,977)	(65,795)	-	-	-	(83,772)
Gain (loss) on disposal of capital assets	(30,353)	-	-	-	-	(30,353)
Total nonoperating revenues (expenses)	(48,330)	(65,795)	26,563	46,928	-	(40,634)
Income (loss) before transfers	(2,336,485)	(374,650)	(767,387)	(146,783)	57,943	(3,567,362)
Transfers out	(302,249)	-	(190,000)	-	(120,000)	(612,249)
Transfers in	1,378,000	308,796	-	190,000	-	1,876,796
Change in net assets	(1,260,734)	(65,854)	(957,387)	43,217	(62,057)	(2,302,815)
Total net assets - beginning	10,945,268	355,747	3,060,516	750,609	224,727	15,336,867
Total net assets - ending	\$ 9,684,534	\$ 289,893	\$ 2,103,129	\$ 793,826	\$ 162,670	\$ 13,034,052

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2010

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 178,270	\$ -	\$ -	\$ -	\$ 19,142	\$ 197,412
Cash receipts from interfund services provided	9,170,117	1,491,828	3,463,733	22,358,928	1,533,711	38,018,317
Cash payments to suppliers for goods and services	(7,189,847)	(733,827)	(3,774,848)	(19,906,391)	(1,141,321)	(32,746,234)
Cash payments to employees for services	(1,797,343)	(784,004)	(456,055)	-	(277,985)	(3,315,387)
Net cash provided by (used in) operating activities	<u>361,197</u>	<u>(26,003)</u>	<u>(767,170)</u>	<u>2,452,537</u>	<u>133,547</u>	<u>2,154,108</u>
Cash flows from noncapital financing activities:						
Transfers in	1,378,000	308,796	-	190,000	-	1,876,796
Transfers (out)	(302,249)	-	(190,000)	-	(120,000)	(612,249)
Net cash provided by (used in) noncapital financing activities	<u>1,075,751</u>	<u>308,796</u>	<u>(190,000)</u>	<u>190,000</u>	<u>(120,000)</u>	<u>1,264,547</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(60,193)	(200,048)	-	-	-	(260,241)
Interest paid	(19,808)	(65,795)	-	-	-	(85,603)
Proceeds from capital lease	-	28,768	-	-	-	28,768
Proceeds from sale of capital assets	158,670	-	-	-	-	158,670
Acquisition and construction of capital assets (including capitalized interest)	(2,080,048)	(74,327)	-	-	(5,334)	(2,159,709)
Net cash used in capital and related financing activities	<u>(2,001,379)</u>	<u>(311,402)</u>	<u>-</u>	<u>-</u>	<u>(5,334)</u>	<u>(2,318,115)</u>
Cash flows from investing activities:						
Interest received (paid)	-	-	26,563	46,928	-	73,491
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>26,563</u>	<u>46,928</u>	<u>-</u>	<u>73,491</u>
Net increase (decrease) in cash and cash equivalents	<u>(564,431)</u>	<u>(28,609)</u>	<u>(930,607)</u>	<u>2,689,465</u>	<u>8,213</u>	<u>1,174,031</u>
Cash and cash equivalents at beginning of year	1,983,830	385,487	6,040,754	8,550,422	279,640	17,240,133
Cash and cash equivalents at end of year	<u>\$ 1,419,399</u>	<u>\$ 356,878</u>	<u>\$ 5,110,147</u>	<u>\$ 11,239,887</u>	<u>\$ 287,853</u>	<u>\$ 18,414,164</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 1,419,399	\$ 356,878	\$ 4,985,147	\$ 11,239,887	\$ 287,853	\$ 18,289,164
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,419,399</u>	<u>\$ 356,878</u>	<u>\$ 5,110,147</u>	<u>\$ 11,239,887</u>	<u>\$ 287,853</u>	<u>\$ 18,414,164</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, 2010

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,288,155)	\$ (308,855)	\$ (793,950)	\$ (193,711)	\$ 57,943	\$ (3,526,728)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,435,989	270,106	33,049	-	44,110	2,783,254
Changes in assets and liabilities:						
(Increase) decrease in receivables	(34,606)	(373)	(18,760)	(18,296)	1,587	(70,448)
Decrease in inventory	22,096	-	-	-	-	22,096
Increase (decrease) in accounts payable	204,807	1,814	19,056	2,664,544	28,422	2,918,643
Increase (decrease) in accrued payroll	21,066	11,305	(6,565)	-	1,485	27,291
Total adjustments	2,649,352	282,852	26,780	2,646,248	75,604	5,680,836
Net cash provided by operating activities	\$ 361,197	\$ (26,003)	\$ (767,170)	\$ 2,452,537	\$ 133,547	\$ 2,154,108

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, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>ASSETS</u>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 172,482	\$ 81,416	\$ 18,113	\$ 235,785
Held by Clerk of Court				
Third parties	4,617,434	12,805,428	9,964,912	7,457,950
Held by Delinquent Tax				
Third parties	17,729,244	64,929,841	64,816,863	17,842,222
Held by Family Court				
Third parties	426,083	31,839,476	31,815,962	449,597
Held by Magistrates				
Third parties	100,400	113,552	100,400	113,552
Held by Master-In-Equity				
Third parties	1,482,482	33,890,049	32,934,791	2,437,740
Held by Probate				
Third parties	5,658	11,432	14,754	2,336
Held by Sheriff				
Third parties	208,127	5,676,631	5,603,753	281,005
Held by Solicitor				
Third parties	60,829	696,678	652,734	104,773
Total non-pooled cash and cash equivalents	24,802,739	150,044,503	145,922,282	28,924,960
Investments				
Held by Treasurer				
Charleston County School District	366,199	46,332,972	22,316,097	24,383,074
Total Investments	366,199	46,332,972	22,316,097	24,383,074

CONTINUED

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, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>ASSETS</u>				
Pooled cash and cash equivalents:				
Held by Treasurer				
C & B Fire Department	\$ 7,945	\$ 7,183	\$ -	\$ 15,128
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(215,549)	16,967,706	16,789,266	(37,109)
Charleston County School District	13,624,335	525,991,288	513,557,838	26,057,785
City of Charleston	352,016	63,533,967	63,523,295	362,688
City of Folly Beach	18,075	1,897,290	1,896,402	18,963
City of Folly Beach/James Island	(396)	362,138	361,621	121
City of Isle of Palms	14,972	4,332,884	4,323,861	23,995
City of North Charleston	380,297	39,963,292	39,766,200	577,389
Cooper River PPC	2,723	235,720	236,236	2,207
East Cooper Fire District	68	-	-	68
James Island PSD	247,122	5,656,787	5,767,028	136,881
James Island Fireman's Fund	-	59,345	59,345	-
North Charleston District	16,753	1,372,559	1,375,736	13,576
S. C. Fireman's Association	46,739	1,962,139	2,008,878	-
St. Andrew's PPC	18,333	1,366,357	1,360,915	23,775
St. Andrew's Public Service District	52,110	4,247,980	4,229,416	70,674
St. John's Fire District	176,378	10,258,870	10,120,848	314,400
St. John's Fireman's Fund	-	301,207	301,207	-
St. Paul's Fire District	44,571	4,458,778	4,447,468	55,881
State Agencies	189,739	3,885,725	3,859,257	216,207
Third parties	(1,363,818)	33,881,549	34,149,133	(1,631,402)
Town of Awendaw Fireman's Assoc	-	45,130	45,130	-
Town of Awendaw	6,841	341,954	344,311	4,484
Town of Lincolnville	1,758	105,284	104,189	2,853
Town of McClellanville	3,424	268,448	269,466	2,406
Town of Mount Pleasant	57,325	27,241,692	27,208,124	90,893
Town of Sullivan's Island	4,216	1,507,708	1,506,796	5,128
Town of Summerville	226,835	227,723	232,004	222,554
Ten Mile Whitehall Escrow	309,551	1,486	-	311,037
Total held by Treasurer	14,221,325	750,482,189	737,843,970	26,859,544
Held by Drug & Vice Seizure Trust				
Third parties	459,785	572,693	459,785	572,693
Total pooled cash and cash equivalents	14,681,110	751,054,882	738,303,755	27,432,237
Total assets	\$ 39,850,048	\$ 947,432,357	\$ 906,542,134	\$ 80,740,271

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, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ (215,549)	\$ 16,967,706	\$ 16,789,266	\$ (37,109)
Cooper River PPC	2,723	235,720	236,236	2,207
James Island PSD	247,122	5,656,787	5,767,028	136,881
North Charleston District	16,753	1,372,559	1,375,736	13,576
St. Andrew's PPPC	18,333	1,366,357	1,360,915	23,775
St. John's Fire District	176,378	10,258,870	10,120,848	314,400
St. Paul's Fire District	44,571	4,458,778	4,447,468	55,881
Total due to component units	290,331	40,316,777	40,097,497	509,611
Intergovernmental payable:				
C & B Fire Department	7,945	7,183	-	15,128
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	13,990,534	572,324,260	535,873,935	50,440,859
City of Charleston	352,016	63,533,967	63,523,295	362,688
City of Folly Beach	18,075	1,897,290	1,896,402	18,963
City of Folly Beach/James Island	(396)	362,138	361,621	121
City of Isle of Palms	14,972	4,332,884	4,323,861	23,995
City of North Charleston	380,297	39,963,292	39,766,200	577,389
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	59,345	59,345	-
S. C. Fireman's Association	46,739	1,962,139	2,008,878	-
St. John's Fireman's Fund	-	301,207	301,207	-
St. Andrew's Public Service District	52,110	4,247,980	4,229,416	70,674
State Agencies	189,739	3,885,725	3,859,257	216,207
Town of Awendaw Fireman's Assoc	-	45,130	45,130	-
Town of Awendaw	6,841	341,954	344,311	4,484
Town of Lincolnville	1,758	105,284	104,189	2,853
Town of McClellanville	3,424	268,448	269,466	2,406
Town of Mount Pleasant	57,325	27,241,692	27,208,124	90,893
Town of Sullivan's Island	4,216	1,507,708	1,506,796	5,128
Town of Summerville	226,835	227,723	232,004	222,554
Ten Mile Whitehall Escrow	309,551	1,486	-	311,037
Total intergovernmental payable	15,661,011	722,616,835	685,913,437	52,364,409
Due to third parties	23,898,706	184,498,745	180,531,200	27,866,251
Total liabilities	\$ 39,850,048	\$ 947,432,357	\$ 906,542,134	\$ 80,740,271

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, 2010

Function	Land	Buildings	Improvements			Infrastructure	Construction in Progress	Total
			Buildings	Other than Buildings	Machinery and Equipment			
General government	\$ 2,523,569	\$ 74,629,389	\$ 1,055,676	\$ 38,122,480	\$ -	\$ 1,074,958	\$ 117,406,072	
Public safety	1,493,871	135,629,678	-	14,926,419	-	1,848,731	153,898,699	
Judicial	-	60,706,495	-	818,091	-	-	61,524,586	
Public works	294,218	372,583	67,191	1,155,127	44,966,083	144,937	47,000,139	
Health and welfare	177,160	2,506,738	1,043,770	662,518	-	-	4,390,186	
Culture and recreation	12,318,971	27,642,799	-	24,269	-	52,855	40,038,894	
Economic Development	-	-	-	45,110	-	-	45,110	
Total	\$ 16,807,789	\$ 301,487,682	\$ 2,166,637	\$ 55,754,014	\$ 44,966,083	\$ 3,121,481	\$ 424,303,686	

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, 2010

Function	Balance July 1, 2009	Additions *	Deletions *	Balance June 30, 2010
General government	\$ 115,814,142	\$ 10,757,585	\$ (9,165,655)	\$ 117,406,072
Public safety	115,441,718	135,595,391	(97,138,410)	153,898,699
Judicial	61,541,834	7,338	(24,586)	61,524,586
Public works	46,681,535	563,967	(245,363)	47,000,139
Health and welfare	4,379,831	32,994	(22,639)	4,390,186
Culture and recreation	40,933,753	52,854	(947,713)	40,038,894
Economic Development	-	45,110	-	45,110
Total	\$ 384,792,813	\$ 147,055,239	\$ (107,544,366)	\$ 424,303,686

* 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 These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	175 - 181
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	182 - 186
Debt Capacity 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.	187 - 191
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	192 - 193
Operating Information 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.	194 - 202
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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	(A)	\$ 38,880,686	\$ 40,126,334	\$ 49,998,715	\$ 57,359,439	\$ 73,784,397	\$ 89,153,294	\$ 102,665,537	\$ 99,409,429	\$ 98,333,460
Restricted	(A)	51,356,705	28,420,510	32,932,674	60,338,152	51,638,770	69,829,579	120,020,988	26,497,016	31,716,002
Unrestricted	(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)	(41,322,471)
Total Governmental Activities Net Assets	-	\$ 155,794,861	\$ 110,533,455	\$ 116,194,687	\$ 129,440,954	\$ 163,051,533	\$ 185,161,391	\$ 160,724,947	\$ 124,648,874	\$ 88,726,991
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	(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	\$ 30,486,244
Restricted	(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	41,832,681
Unrestricted	(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	30,461,308
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	\$ 102,760,233
Primary Government										
Invested in Capital Assets, Net of Related Debt	(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	\$ 128,819,704
Restricted	(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	73,548,683
Unrestricted	(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	(10,861,163)
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	\$ 228,295,853	\$ 191,507,224

(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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental Activities:									
General Government	\$ 40,355,391	\$ 42,030,869	\$ 44,073,903	\$ 48,480,730	\$ 54,974,087	\$ 65,198,099	\$ 65,852,893	\$ 57,001,166	\$ 51,006,419
Public Safety	48,424,542	57,687,474	60,199,756	65,411,630	67,475,922	65,619,715	79,153,052	79,004,932	77,890,858
Judicial	13,274,645	15,150,950	16,303,000	17,628,761	19,042,092	20,545,790	22,201,442	28,605,375	25,578,697
Public Works	12,371,692	14,249,365	13,047,445	14,569,632	23,717,878	40,185,783	31,011,124	39,605,730	56,597,207
Health and Welfare	11,240,334	13,696,800	12,259,223	11,823,614	10,992,770	11,112,177	12,879,164	13,211,079	16,552,891
Economic Development	730,879	584,991	1,057,507	943,669	3,481,117	1,324,790	3,228,377	858,483	6,078,107
Culture and Recreation	14,145,906	14,744,185	17,464,877	16,731,110	18,133,308	21,307,239	53,822,207	48,254,152	41,390,976
Education	3,549,382	3,592,277	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300	5,651,921	5,719,553
Interest and Fiscal Charges	9,931,428	10,697,842	9,306,029	10,107,693	10,453,449	9,311,104	18,461,680	20,934,569	21,109,522
Total Governmental Activities Expenses	155,024,199	172,416,753	177,447,635	189,625,877	213,275,582	239,742,540	291,935,239	293,127,407	301,924,230
Business-Type Activities:									
E 911 Communications	945,397	923,506	905,427	1,167,080	888,812	984,112	1,015,968	1,096,409	1,199,876
Environmental Management	26,371,802	26,266,186	27,252,627	29,335,704	32,430,587	30,229,939	39,064,678	43,209,125	33,738,089
Parking Garages	2,669,181	2,705,187	2,322,980	1,922,169	1,712,310	1,753,719	2,008,395	2,149,055	1,969,322
DOADAS	8,786,426	7,795,981	8,185,395	8,493,417	8,667,219	8,984,048	9,348,853	8,976,846	8,407,723
Revenue Collections	-	-	-	-	-	-	1,724,477	1,641,615	1,721,430
Radio Communications	-	-	-	-	-	1,800,430	1,973,647	2,153,163	2,226,905
Total Business-Type Activities Expenses	38,772,806	37,690,860	38,666,429	40,918,370	43,688,928	43,752,248	55,136,018	59,226,213	49,263,345
Total Primary Government Expenses	\$ 193,797,005	\$ 210,107,613	\$ 216,114,064	\$ 230,544,247	\$ 256,974,510	\$ 283,494,788	\$ 347,071,257	\$ 352,353,620	\$ 351,187,575
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$ 10,150,792	\$ 13,676,611	\$ 15,440,672	\$ 17,935,275	\$ 19,041,161	\$ 18,088,660	\$ 16,034,883	\$ 10,852,721	\$ 9,697,135
Public Safety	5,768,142	6,721,223	7,878,504	6,290,751	6,157,762	6,622,976	11,396,678	11,079,419	11,476,288
Judicial	5,494,170	5,900,661	7,292,551	7,253,058	7,778,889	7,641,424	8,319,231	9,285,809	8,892,660
Public Works	216,747	108,535	143,354	179,664	196,147	1,927,468	4,941,336	4,123,329	1,939,108
Health and Welfare	654,450	804,262	558,244	788,557	1,150,312	4,930,221	612,029	476,756	412,732
Culture and Recreation	79,220	68,828	66,441	73,303	201,705	179,007	4,003,383	1,767,195	912,786
Education	-	-	10,170	-	-	-	-	-	-
Operating Grants and Contributions	15,693,824	17,369,105	16,592,529	19,298,359	21,435,951	18,216,119	20,814,984	18,703,242	29,232,648
Capital Grants and Contributions	-	-	-	3,131,573	-	-	-	-	-
Total Governmental Activities Program Revenues	38,057,345	44,669,225	47,982,465	54,950,540	55,961,927	57,615,875	66,122,524	56,288,471	62,565,357

(CONTINUED)

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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Business-Type Activities:									
Charges for Services:									
E 911 Communications	\$ 1,148,171	\$ 1,120,349	\$ 1,273,381	\$ 1,940,631	\$ 1,265,946	\$ 1,379,569	\$ 1,365,183	\$ 1,429,854	\$ 2,070,562
Environmental Management	29,199,399	29,429,531	32,729,983	33,605,612	35,799,249	37,594,483	43,770,682	38,969,998	30,790,268
Parking Garages	2,720,599	2,833,338	8,290,653	2,008,933	2,066,315	2,424,078	2,501,491	2,698,693	2,556,854
DAODAS	4,374,792	3,707,126	3,783,036	5,519,478	4,113,731	6,361,075	4,475,009	4,700,331	6,124,605
Revenue Collections	-	-	-	-	-	-	1,071,795	464,550	528,649
Radio Communications	-	-	-	-	-	107,515	525,126	1,099,255	846,525
Operating Grants and Contributions	4,172,690	3,629,030	3,092,077	1,138,657	2,933,166	979,399	3,081,039	2,661,638	284,416
Capital Grants and Contributions	-	-	-	-	904,389	1,240	-	-	-
Total Business-type Activities Program Revenues	41,615,651	40,719,374	49,169,130	44,213,311	47,082,796	48,647,359	56,790,325	52,024,319	43,201,879
Total Primary Government Program Revenues	\$ 79,672,996	\$ 65,388,599	\$ 97,151,595	\$ 99,163,851	\$ 103,044,723	\$ 106,463,234	\$ 122,912,849	\$ 108,312,790	\$ 105,767,236
Net (Expense)/Revenue									
Governmental Activities	\$ (116,966,854)	\$ (127,747,528)	\$ (129,465,170)	\$ (134,675,337)	\$ (157,313,655)	\$ (182,126,665)	\$ (225,812,715)	\$ (236,838,936)	\$ (239,358,873)
Business-type Activities	2,842,845	3,028,514	10,502,701	3,294,941	3,383,868	5,095,111	1,654,307	(7,201,894)	(6,061,466)
Total Primary Government Net (Expense)/Revenue	\$ (114,124,009)	\$ (124,719,014)	\$ (118,962,469)	\$ (131,380,396)	\$ (153,929,787)	\$ (177,031,554)	\$ (224,158,408)	\$ (244,040,830)	\$ (245,420,339)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes by Source:									
Property Tax	\$ 76,672,139	\$ 76,262,067	\$ 76,421,626	\$ 77,341,114	\$ 82,216,983	\$ 82,289,668	\$ 86,507,891	\$ 96,621,772	\$ 104,955,894
Local Option Sales Tax	32,061,842	32,445,350	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297	41,085,569	39,955,809
Transportation Sales Tax	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922
Accommodations Tax	6,561,848	6,683,992	6,927,227	7,611,446	8,292,848	9,176,823	9,872,302	8,664,365	8,851,895
Franchise Tax	689,269	545,425	589,622	793,129	774,254	538,048	955,712	793,067	825,465
Merchants Inventory Tax and Manufacture's Depreciation	1,607,919	1,682,766	1,715,716	1,677,255	1,563,067	1,632,214	1,611,561	1,607,308	1,385,891
Motor Carrier Tax	171,651	132,567	77,160	108,871	116,292	129,110	140,426	138,236	120,432
State Aid to Political Subdivisions	13,839,678	13,654,987	13,781,116	13,959,555	14,603,288	16,098,226	17,864,865	17,036,681	14,223,422
Grants and Contributions not Restricted to Specific Program	217,231	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	3,957,860	727,946	469,755	2,495,650	5,757,314	5,421,959	3,749,245	1,173,784	1,318,508
Gain (Loss) on Sale of Capital Assets	181,165	(214,959)	387,618	-	514,247	-	-	-	-
Transfers	(2,816,345)	(2,509,762)	8,151,631	(3,289,535)	(3,601,887)	(5,052,023)	(3,881,034)	(4,337,551)	(4,493,248)
Total Governmental Activities	133,144,257	129,410,379	144,150,548	144,667,582	189,511,916	193,779,728	201,376,339	200,453,043	203,436,990

(CONTINUED)

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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:									
Property Taxes	\$ 481,219	\$ 514,357	\$ 528,466	\$ 542,927	\$ 523,037	\$ 505,366	\$ 542,927	\$ 542,927	\$ 542,927
Alcoholic Beverage Tax	11,015	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832
Merchants Inventory tax and Manufacturer's Depreciation	1,155,267	640,025	396,412	832,632	1,782,440	3,368,608	2,446,082	747,835	102,188
Unrestricted Investment Earnings	(111,664)	(22,975)	-	-	3,811	84,940	65,886	45,467	45,525
Gain (Loss) on Sale of Capital Assets	2,816,345	2,509,762	(8,151,631)	3,289,535	3,601,887	5,052,023	3,681,034	4,337,551	4,493,248
Transfers	4,352,182	3,652,360	(7,215,873)	4,675,990	5,922,072	9,031,769	6,946,761	5,684,612	5,194,720
Total Business-type Activities	\$ 137,486,439	\$ 133,062,739	\$ 136,934,675	\$ 149,343,572	\$ 195,433,988	\$ 202,811,497	\$ 208,323,100	\$ 206,137,655	\$ 208,631,710
Total Primary Government	\$ (224,758)	\$ (7,573,526)	\$ (9,151,217)	\$ 3,471,464	\$ 1,363,940	\$ -	\$ -	\$ -	\$ -
Special Items									
Change In Net Assets:									
Governmental Activities	15,952,645	(5,910,675)	5,534,161	13,463,709	33,582,201	11,653,063	(24,436,376)	(36,385,893)	(35,921,883)
Business-type Activities	7,195,027	6,680,874	3,286,828	7,970,931	9,305,940	14,126,880	8,601,068	(1,517,282)	(866,746)
Total Primary Government	\$ 23,147,672	\$ 770,199	\$ 8,820,989	\$ 21,434,640	\$ 42,888,141	\$ 25,779,943	\$ (15,835,308)	\$ (37,903,175)	\$ (36,788,629)

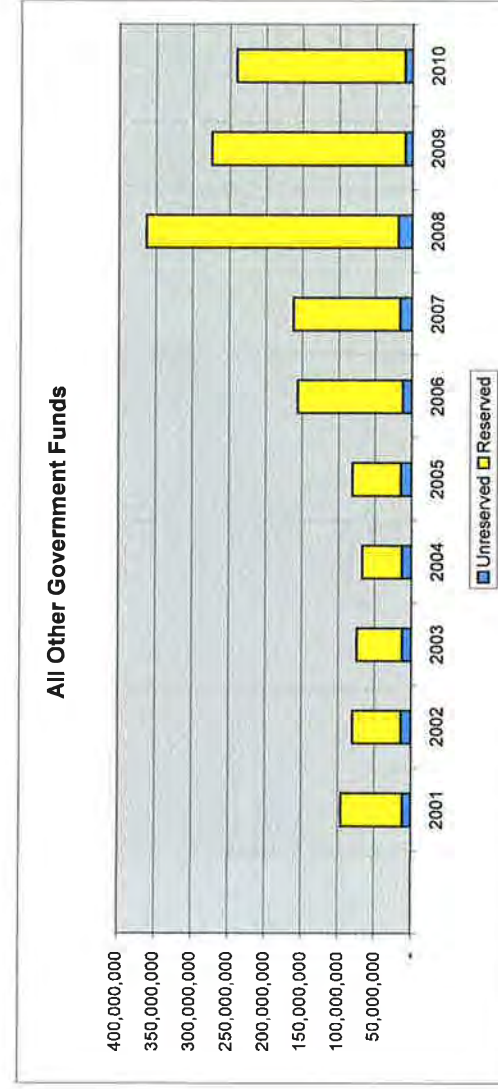
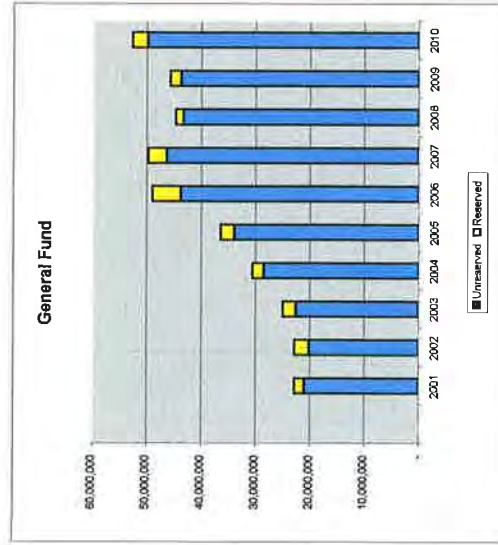
(A) GASB 34 was not implemented until the 2002 fiscal year, change in net asset information is not available prior to that fiscal year.

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

UNAUDITED

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 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	\$ 2,727,154
Unreserved	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	49,868,870
Total General Fund	\$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	\$52,596,024
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ -	\$ -	\$ 212,671	\$ 204,652	\$ 299,021	\$ 11,603	\$ 11,602	\$ -	\$ -	\$ -
Encumbrances	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	60,767,518
Debt Service	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	20,672,652
Capital Projects Funds	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	39,387,522
Transportation and Road Sales Tax Unreserved, Reported in:	-	-	-	-	-	78,931,458	96,021,511	230,106,543	171,548,405	109,412,393
Special Revenue Funds	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	10,096,927
Total All Other Governmental Funds	\$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	\$240,337,012

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 102,001,515
Local Option Sales Tax	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	39,955,809
Transportation Sales Tax	-	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922
Intergovernmental	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	48,794,898
Permits and Licenses	18,404,737	19,395,825	21,240,225	23,974,732	28,134,114	5,039,868	5,290,740	5,700,779	4,439,742	3,985,696
Fines and Forfeitures	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	3,148,433
Interest	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	2,781,824
Service Charges	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	29,905,313
Rental and Use of Property	1,772,953	987,732	977,369	913,155	764,147	824,999	749,145	723,986	632,741	663,862
Other Revenues	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	6,356,037
Total Revenues	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	274,886,309
Expenditures										
Current:										
General Government	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	48,173,320
Public Safety	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	71,750,504
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	23,894,465
Public Works	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	55,001,817
Health and Welfare	9,274,448	11,470,130	13,388,372	11,980,147	11,665,243	10,822,458	10,984,189	12,728,543	12,876,658	16,366,568
Economic Development	654,977	732,242	582,206	1,055,405	953,528	3,480,343	1,327,411	3,230,479	858,031	6,121,263
Culture and Recreation	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	42,786,960
Education	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	5,719,553
Capital Outlay	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	42,040,219
Debt Service:										
Principal	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	19,671,318
Interest and Fiscal Charges	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	20,983,775
Bond Issuance Costs	363,146	-	-	887,728	314,963	288,427	-	97,756	102,252	413,848
Total Expenditures	183,944,937	184,686,665	177,098,460	189,120,240	190,466,168	227,408,055	245,396,584	307,823,558	347,364,346	352,923,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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)	(78,037,301)

(CONTINUED)

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

UNAUDITED	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Capital Lease Proceeds	\$ -	\$ 679,887	\$ 915,806	\$ 431,614	\$ 844,468	\$ 841,831	\$ 1,429,804	\$ 100,539	\$ 775,100	\$ 702,710
Sale of GO Transportation Sales Tax Bonds	-	-	-	-	-	65,000,000	-	150,000,000	-	-
Sale of General Obligation Bonds	-	-	-	-	-	-	-	75,000,000	-	50,000,000
Refunding General Obligation Bonds Issued	30,349,046	-	-	63,740,000	16,139,845	-	-	-	-	20,775,000
Refunding Certificates of Participation Issued	-	-	-	38,527,153	707,763	1,978,623	-	10,789,016	-	-
Premium on Bonds Sold	(5,859,135)	-	-	(100,978,948)	(16,749,287)	-	-	-	-	6,493,791
Payment to Refunded Debt Escrow Agent	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	(21,447,212)
Transfers In	(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)	(35,529,299)
Transfers Out	-	118,014	24,645	1,144,447	1,572,599	1,390,616	194,554	46,780	220,347	467,250
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	17,852,198	(5,537,811)	(3,868,263)	10,695,963	(3,616,750)	62,732,332	(6,268,139)	228,972,407	(4,438,265)	51,233,744
Special Item	-	-	-	(9,151,217)	-	1,383,940	-	-	-	-
Net Change in Fund Balances	\$ 4,973,380	\$ (15,716,018)	\$ (3,584,263)	\$ (1,819,938)	\$ 20,047,428	\$ 87,835,328	\$ 6,751,422	\$ 195,484,566	\$ (87,623,662)	\$ (26,803,557)
Capital Asset Expenditures	\$ 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	\$ 42,611,071
Debt Service as a	11.8%	10.4%	11.1%	13.0%	10.7%	11.2%	10.0%	11.2%	12.9%	13.2%
Percentage of Noncapital Expenditures										

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,	Real Property	Personal Property	Vehicles	Total Taxable		Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
				Assessed Value	Taxable Value			
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%	
2010	2,530,782,359	236,859,543	156,340,695	2,923,982,597	181.0	54,571,987,194	5.36%	

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Direct Rates:										
Charleston County Government Operating	69.2	53.8	50.8	50.8	51.3	40.2	40.2	40.2	40.2	40.2
Charleston County Government Debt Service	16.6	13.0	10.4	10.4	9.9	6.6	6.6	6.6	6.6	6.6
Park and Recreation Commission Operating	4.5	3.7	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.7
Park and Recreation Commission Debt Service	5.6	3.9	3.7	3.7	3.7	2.1	2.1	2.1	2.0	1.9
Trident Technical College	2.8	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0
County School Board Operating	90.0	81.6	89.3	105.1	109.0	91.1	92.8	95.4	98.7	98.7
County School Board Debt Service	25.2	21.8	20.4	12.1	12.4	15.8	13.6	18.2	23.9	27.9

Total Direct Rate

	213.9	180.0	180.2	187.7	191.9	161.3	160.8	168.0	177.0	181.0
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Fire District Rates:

	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	12.0 - 47.7
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City/Town Rates:

	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	18.2 - 92.8
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Public Service District Rates:

	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	57.6 - 102.3
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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, 2010

<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	\$ 391,525,000	100%	\$ 391,525,000
Overlapping:			
Park & Recreation Commission	14,930,000	100%	14,930,000
Public School Districts	223,372,000	100%	223,372,000
Subtotal	<u>238,302,000</u>	<u>100%</u>	<u>238,302,000</u>
Total	<u>\$ 629,827,000</u>	<u>100%</u>	<u>\$ 629,827,000</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

Taxpayer	Type of Business	2010			2000		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SCE & G	Public Utility	\$ 41,072,860	1	1.41%	\$ 60,610,110	1	6.0%
Bell South	Public Utility	16,923,860	2	0.58%	24,738,570	3	2.5%
Cellco	Public Utility/FILOT	6,928,696	3	0.24%	-	-	-
Kapstone Kraft *	Manufacturing/Chemicals	6,155,824	4	0.21%	27,738,570	2	2.8%
Charleston Place LLC	Hotel	5,380,080	6	0.18%	-	-	-
Voight Aircraft	Manufacturing	4,770,549	5	0.16%	-	-	-
Kiawah Resort Associates	Development	4,737,140	7	0.16%	2,199,200	8	0.2%
North Charleston Joint Venture	Retail	4,728,780	8	0.16%	1,591,380	10	0.2%
Kinder Morgan	Manufacturing/FILOT	4,536,693	9	0.16%	-	-	-
Cummins	Manufacturing/FILOT	4,240,800	10	0.15%	2,984,580	6	0.3%
Albright & Wilson	Manufacturing	-	-	-	3,718,940	4	0.4%
Berkeley Electric	Public Utility	-	-	-	3,577,160	5	0.4%
Charleston Center	Public Utility	-	-	-	2,872,820	7	0.3%
Trident Regional	Hospital	-	-	-	1,640,420	9	0.2%
Totals		\$ 99,475,282		3.4%	\$ 131,671,750		13.1%

Source: Charleston County Auditor

* In 2009 Westvaco sold its power generation plant and the paper mill to Kapstone Kraft.

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

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2010	92,300,468	92,300,468	86,401,791	93.6%	4,173,233	90,575,024	98.1%

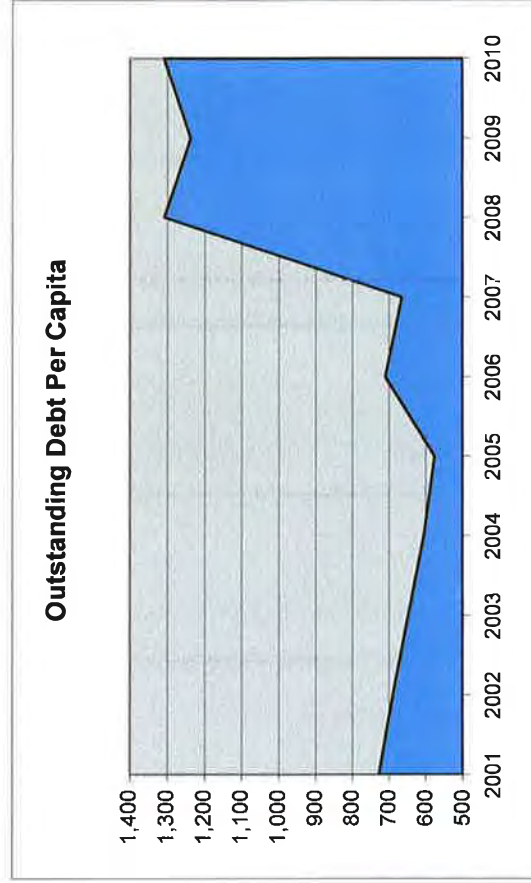
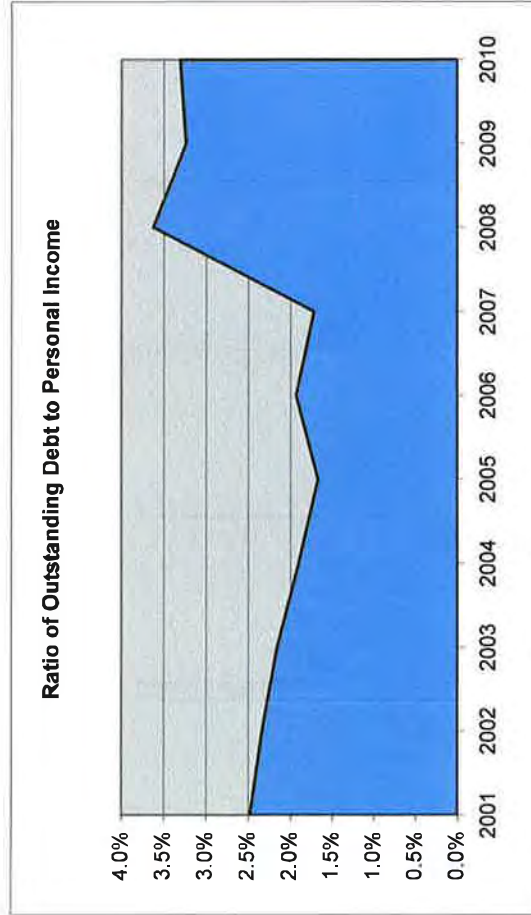
Source: This information was provided by the Charleston County Treasurer's Office.

**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			
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
2010	406,590,609	41,756,721	3,070,072	7,421,883	6,374,140	-	465,213,425	3.3%	1,309

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**

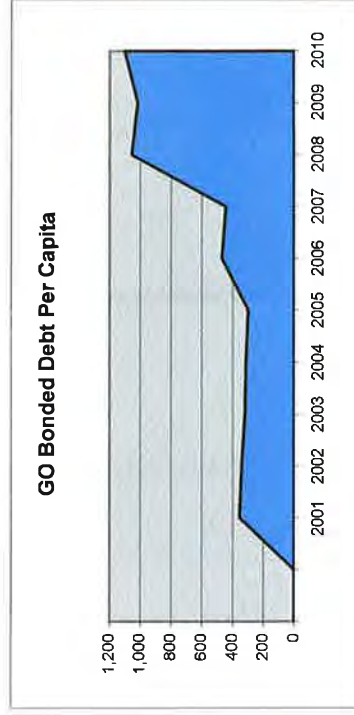
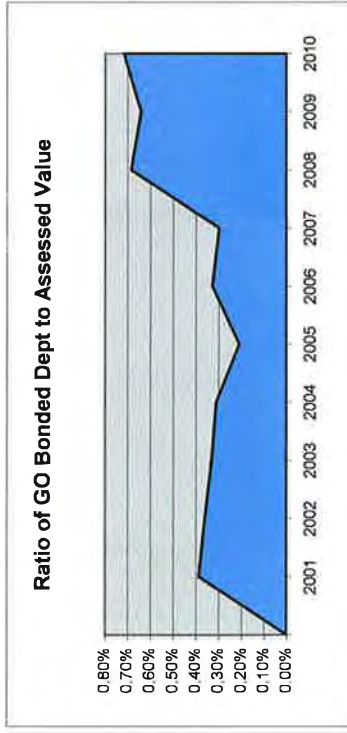
UNAUDITED

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
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
2010	355,276	54,571,987,194	391,525,000	0.72%	1,102

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**

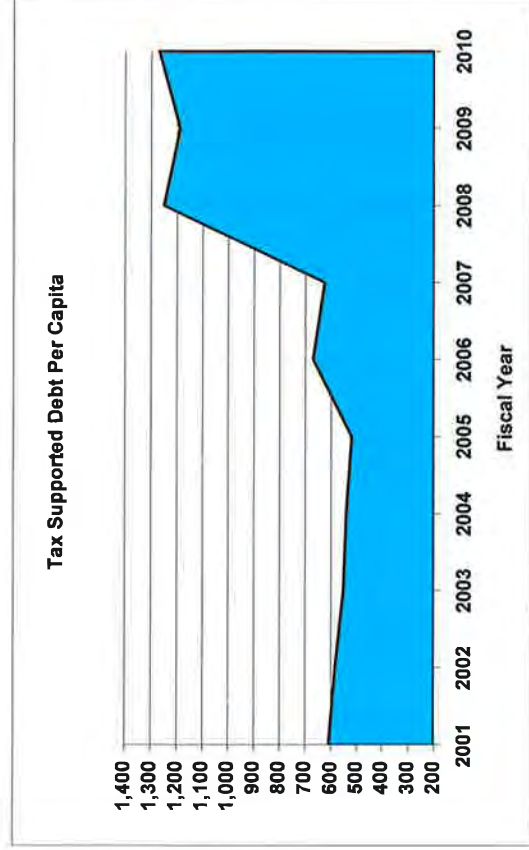
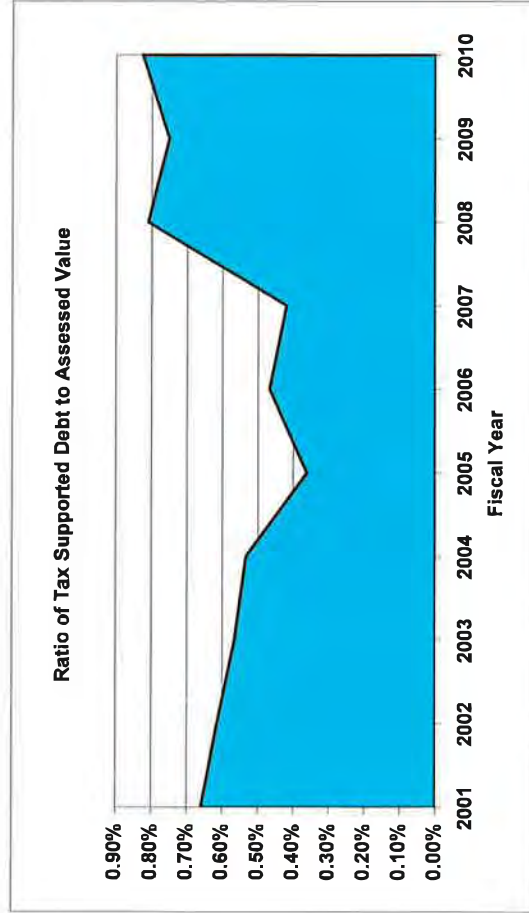
UNAUDITED

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
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
2010	355,276	54,571,987,194	406,590,609	41,756,721	2,360,292	450,707,622	0.83%	1,269

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.

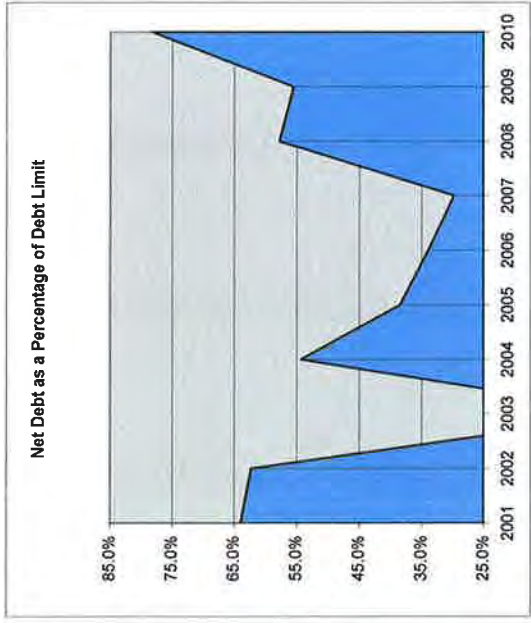
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	2001	2002	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 136,653,408	\$ 135,820,190	\$ 144,634,276	\$ 195,786,861	\$ 205,995,772	\$ 216,723,669	\$ 235,740,344	\$ 239,227,649	\$ 235,980,407
Total Net Debt Applicable to Debt Limit	87,400,000	84,600,000	78,558,957	75,338,957	69,974,368	64,575,697	136,260,341	132,862,801	184,650,000
Legal Debt Margin	49,253,408	\$ 51,220,190	\$ 66,075,319	\$ 120,447,904	\$ 136,021,404	\$ 152,147,972	\$ 99,480,003	\$ 106,364,848	\$ 51,330,407
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	64.0%	62.3%	54.3%	38.5%	34.0%	29.8%	57.8%	55.5%	78.2%



Legal Debt Margin Calculation for Fiscal Year 2010

Total Assessed Value	\$ 2,949,755,090
Debt Limit (8% of Total Assessed Value)	235,980,407
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	391,525,000
Less: Debt Issued Through Referendum	(206,875,000)
Total Amount of Debt Applicable to Debt Limit	184,650,000
Legal Debt Margin	\$ 51,330,407

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
PLEGDED 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	
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
2010	31,007,576	33,276,013	(2,268,437)	1,450,187	431,814	1,882,001	-1.21

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.

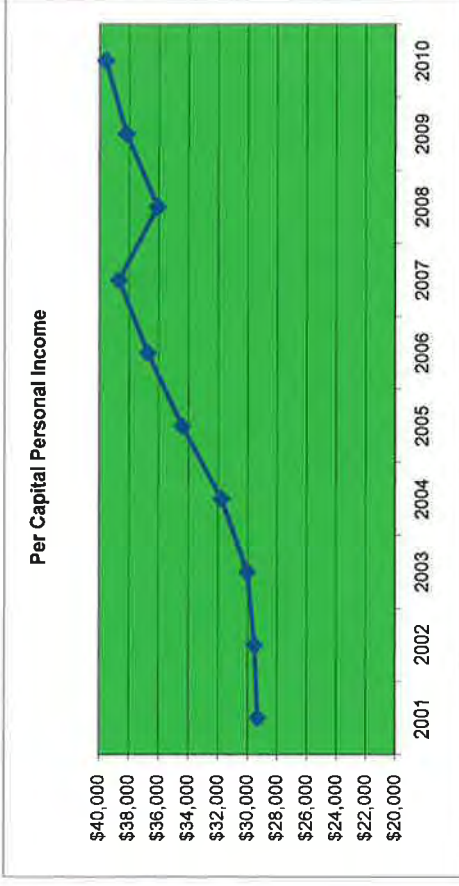
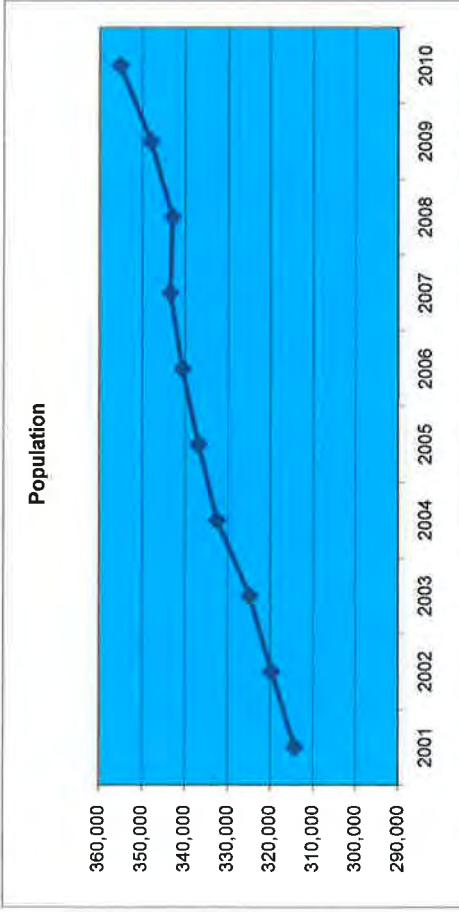
Note: 3 Total operating expenses are exclusive of depreciation and amortization.

**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
2001	314,279	\$ 9,220,256,000	\$ 29,338	3.2%	31.9	41,864
2002	319,723	9,449,368,000	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
2010	355,276	13,844,611,000	39,581	8.6%	36.9	42,007

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



The following Data Sources were used to develop this information:

- South Carolina Office of Research and Statistics
- Charleston County Chamber of Commerce
- Charleston County School District
- South Carolina Association of Counties

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

UNAUDITED

County Employment for 2010 163,985
County Employment for 2001 147,850

	2010			2001		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Medical University of South Carolina (MUSC)	11,000	1	6.71%	8,000	1	5.41%
Charleston Air Force Base	7,000	2	4.27%	5,292	2	3.58%
Charleston County School District	5,150	3	3.14%	4,865	3	3.29%
Roper St. Francis Healthcare	3,800	4	2.32%	4,500	4	3.04%
JEM Restaurant Group Inc.	3,000	5	1.83%	-	-	-
Trident Medical Center (Trident Health System)	2,500	6	1.52%	-	-	-
County of Charleston	2,150	7	1.31%	2,243	5	1.52%
Piggly Wiggly Carolina Co. Inc.	1,900	8	1.16%	1,800	7	1.22%
City of Charleston	1,700	9	1.04%	1,600	8	1.08%
Kiawah Island Golf Resort	1,600	10	0.98%	850	-	0.57%
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	39,800		24.27%	33,915		22.94%

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	7.00	7.00	7.00	7.00	7.00	6.31	5.31
Assessor	49.00	44.00	44.00	44.00	47.00	47.00	47.00	49.00	53.00	51.00
Auditor	31.00	31.00	31.00	30.00	30.00	30.00	29.00	29.00	30.00	29.00
Budget	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00	7.00
Capital Projects Admin.	20.00	20.00	20.00	17.00	17.00	17.00	16.00	14.00	12.00	11.00
Assist Admin for Finance	14.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Controller	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	13.00
Delinquent Tax	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00
Dept. Admin for Operations	-	-	-	-	-	-	-	-	4.00	4.00
Assist Admin for Human & Environmental Svcs	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Elections/Voter Registration	8.50	8.50	8.50	8.50	10.00	10.00	10.00	10.00	10.00	10.00
Emergency Management	-	-	-	-	-	-	-	-	-	5.50
Facilities Management	-	-	-	70.00	70.00	70.00	63.00	63.00	63.00	58.00
Grants Administration	13.25	13.25	12.25	11.25	11.25	11.25	9.75	9.75	8.75	8.15
Human Resources	16.00	16.00	15.00	14.00	14.00	14.00	14.00	14.00	17.00	15.00
Internal Auditor	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	157.40	156.00	149.60	77.60	76.60	72.60	68.60	68.60	67.80	61.80
Legal	5.84	5.84	5.56	5.56	5.56	5.56	6.56	6.42	8.42	7.42
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	3.35
Planning	24.00	25.00	25.00	25.00	25.00	26.00	24.00	24.00	24.00	22.00
Procurement Services	17.00	16.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	15.00
Radio Communications	2.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-
Register Mesne Conveyance	30.00	30.00	30.00	30.00	30.00	30.00	33.00	33.00	32.00	27.00
Revenue Collections	5.00	5.00	5.00	6.00	6.00	6.00	6.00	22.00	22.00	22.00
Safety & Risk Management	3.00	5.00	6.00	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	16.00
Treasurer	19.00	20.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Other (No Longer Used)	7.00	6.00	6.00	-	-	-	-	-	-	-
Total General Government	475.99	473.59	465.91	453.91	452.41	450.41	451.91	467.77	475.63	448.53

(CONTINUED)

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

UNAUDITED

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Building Services	21.00	23.00	22.00	21.00	21.00	22.00	22.00	22.00	24.00	21.00
Consolidated Dispatch	-	-	-	-	-	-	-	-	1.00	72.50
Emergency Management	8.00	7.00	7.00	6.00	20.00	25.00	27.00	30.00	30.00	24.50
Emergency Medical	164.00	168.00	167.00	170.00	161.00	169.00	174.00	174.00	165.00	139.50
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	-	-
Sheriff	673.31	674.31	702.31	741.31	777.31	779.31	780.31	792.31	808.11	834.11
Technology Services	-	-	-	-	-	-	-	-	2.00	2.00
Other (No Longer Used)	-	1.00	-	-	-	-	-	-	-	-
Total Public Safety	867.31	874.31	899.31	939.31	980.31	996.31	1,004.31	1,020.31	1,030.11	1,093.61
Judicial										
Clerk of Court	54.00	54.00	53.00	53.00	53.00	53.00	54.00	54.00	54.00	55.00
Coroner	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00
Magistrates Courts	67.36	67.89	67.89	67.89	68.89	70.41	70.41	70.41	69.41	68.39
Master-In-Equity	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Probate Courts	18.30	18.30	19.30	19.30	19.30	19.30	19.30	20.30	20.30	19.30
Solicitor	72.00	74.00	77.00	79.00	79.00	81.00	88.00	91.00	93.00	96.00
Public Defender	-	-	-	-	-	-	-	-	52.00	52.00
Total Judicial	223.66	226.19	229.19	231.19	232.19	235.71	243.71	249.71	303.71	305.69
Public Works										
Administrator	-	-	-	-	-	-	-	-	0.69	0.69
Revenue Collections	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	-	-	-	-	-	-	-	-	7.00	7.00
Organizational Development	-	-	-	-	-	-	-	-	1.65	1.65
Public Works	174.00	173.00	162.00	159.00	159.00	161.00	168.00	176.00	164.00	150.00
Environmental Management	131.00	131.00	127.00	126.00	126.00	126.00	126.00	128.00	127.00	134.20
Total Public Works	317.00	316.00	300.00	296.00	297.00	300.00	308.00	305.00	300.34	293.54

(CONTINUED)

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

UNAUDITED

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Health and Welfare										
DAODAS	169.50	170.50	125.00	131.00	131.00	131.00	133.00	137.00	129.00	111.00
Facilities Management	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grants Administration	20.75	20.75	18.75	25.75	25.75	25.75	26.25	36.25	33.25	33.85
Public Works	29.00	29.00	26.00	24.00	24.00	24.00	23.00	23.00	24.00	20.00
Veterans Affairs	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Total Health and Welfare	<u>224.25</u>	<u>225.25</u>	<u>175.75</u>	<u>185.75</u>	<u>185.75</u>	<u>185.75</u>	<u>187.25</u>	<u>202.25</u>	<u>192.25</u>	<u>170.85</u>
Culture and Recreation										
Revenue Collections	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-
Assist Admin for Transportation & Emergency Management Planning	-	-	-	-	-	-	-	-	2.00	1.80
Total Culture and Recreation	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>4.00</u>	<u>1.00</u>	<u>2.00</u>	<u>1.80</u>
Economic Development	2.00	2.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Total Economic Development	<u>2.00</u>	<u>2.00</u>	<u>1.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
Total	<u>2,113.21</u>	<u>2,120.34</u>	<u>2,074.16</u>	<u>2,111.16</u>	<u>2,152.66</u>	<u>2,173.18</u>	<u>2,201.18</u>	<u>2,249.04</u>	<u>2,307.04</u>	<u>2,317.02</u>

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Auditor - Tax Notices Processed	506,960	530,520	503,520	520,000	545,000	600,000	590,283	521,701	550,000	550,000
RMC Documents Recorded	105,000	110,000	143,674	142,244	143,500	147,569	133,772	116,770	84,711	84,711
Zoning Applications Processed	3,051	3,000	2,761	3,340	3,400	3,741	3,336	3,266	2,846	2,850
Illegal Businesses Located	567	563	982	998	831	714	278	346	86	90
Public Safety										
Building Inspections Performed	18,016	18,000	15,965	18,323	22,563	28,191	23,702	22,519	15,472	15,800
Bad Check Warrants Served	5,633	5,280	2,632	2,432	7,107	3,774	6,124	6,194	6,594	6,194
Daily Costs Per Prisoner	31	32	33	40	40	40	40	55	55	55
Judicial										
Marriage Licenses Issued	5,200	4,800	2,275	2,429	3,712	3,733	3,877	3,769	3,846	3,900
Master-in-Equity Cases Disposed of	605	640	833	1,323	1,248	718	998	1,390	2,227	1,950
Health and Welfare										
Veterans Claims Filed	7,200	7,300	7,318	7,438	8,505	8,038	9,215	9,215	10,254	12,000
Economic Development										
Number of New Companies Relocating to Charleston	1	1	6	1	4	5	1	4	0	1
Number of New Jobs From Relocating Companies	12	210	888	10	1,767	328	25	390	0	30
Number of Expanding Employers in Charleston	2	1	4	0	1	2	3	1	3	3
Number of Jobs Resulting from Expansion	340	15	141	0	180	300	268	30	320	4,275
Culture & Recreation										
Library Visits Per Capita	5.00	5.00	5.26	5.50	5.60	6.21	6.38	6.66	6.99	7.06
Library Cards In Use	265,675	265,955	309,033	247,821	277,688	350,320	329,189	355,481	310,417	313,521
Environmental Management										
Total Tons of Incinerated Waste	215,542	220,000	220,000	230,673	222,108	227,383	227,514	211,907	188,626	94,000
Parking Garages										
Average Operating Revenue Per Space	1,198	1,106	1,032	1,124	1,384	1,623	1,777	1,931	2,114	1,527
Average Operating Expenditure Per Space	569	781	1,059	1,091	685	945	1,115	984	1,852	2,569

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 ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Automobiles	0	56	60	70	77	80	84	91	80	79
Buildings	0	21	21	21	28	28	28	44	97	99
Public Safety										
Police Cars	0	112	149	197	231	290	325	316	332	324
Fire Trucks	0	0	0	6	7	8	11	11	10	10
Ambulances	0	0	0	0	17	23	24	28	22	23
Judicial										
Magistrate Courts	0	13	14	14	14	14	15	15	15	15
Public Works										
Paved Streets (in Miles)	0	0	124	163	186	195	132	129	128	129
Ground Equipment	0	30	31	32	33	43	51	62	60	65
Heavy Trucks	0	17	20	21	21	25	29	35	35	35
Environmental Management										
Collection/Refuse Trucks	0	17	20	23	27	33	37	45	44	48
Ground Equipment	0	10	11	13	13	16	19	24	26	25
Culture & Recreation										
Libraries, Main and Branches	0	16	16	16	16	16	16	16	16	11

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.

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

Note 5. Charleston County owns 11 libraries and leases 5 libraries.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SOLID WASTE 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)
2001	89	63	78	155
2002	89	63	78	155
2003	89	63	78	155
2004	89	63	78	155
2005	89	63	78	155
2006	89	63	78	155
2007	89	63	78	155
2008	99	70	86	172
2009	99	70	86	172
2010	99	70	86	172

(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		User Fee Applied to Other Purposes	Net Unused User Fee	Year End Working Capital Balance (A)
			to Payment of the Disposal Fee	\$			
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	
2010	27,815,338	27,111,689	13,772,426	9,992,175	3,347,088	36,491,111	

(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				Total Sources Used to Pay Disposal Fee
	Incinerator Operations	Debt Service	Total Disposal Fee	Steam Sales (1)	Electric Sales	Equity Payment	Interest Income	User Fee Applied to Disposal Fee	
2010	\$ 4,886,407	\$ 10,372,142	\$ 15,258,549	\$ 630,618	\$ 583,305	\$ -	\$ 272,200	\$ 13,772,426	\$ 15,258,549
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

(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	2009
MSW Processed (tons)	211,541	212,620	200,682	209,896	207,249	230,673	225,005	226,163	222,110	203,029	N/A
Ash Generated (wet tons)	56,127	53,890	54,920	55,813	55,013	55,643	55,700	58,557	58,335	50,700	N/A
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%	N/A
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%	N/A
Unit B	90.7%	90.6%	84.5%	81.7%	84.9%	94.5%	89.6%	91.7%	86.0%	81.70%	N/A
Facility Utilization (percent of design steaming rate)	90.5%	90.5%	84.7%	80.6%	87.2%	95.5%	92.4%	93.9%	91.2%	84.60%	N/A
Steam Sales (Mlbs)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	N/A
Electricity Sales (MW/h)	45,893	49,168	49,908	54,826	66,557	72,767	66,106	69,853	67,027	59,593	N/A

(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	AAA
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	\$ 209,374,239	
Total expenditures	\$ 448,125,466	
Requirement is no less than 5 percent		<u>46.72%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 44,803,043	
Total expenditures	\$ 448,125,466	
Requirement is no more than 20 percent		<u>10.00%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 359,348,004	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 154,519,642

Total estimated closure and post-closure costs for County landfills:

Estimated costs from Note III.G. on landfill closure	\$ 43,991,005	
Less: Expenditures to date	\$ (22,001,005)	
Restricted assets committed to closure	\$ (4,650,000)	
Balance of closure costs being deferred		<u>\$ 17,340,000</u>
Additional permissible deferred cost		<u>\$ 137,179,642</u>

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