

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

WITH

REPORT OF INDEPENDENT AUDITORS



PREPARED BY:

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
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INTRODUCTORY SECTION





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January 27, 2012

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, 2011.

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, 2011, 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, 2011, 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. The 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 (e.g., public safety), and department (e.g., 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 Deputy County Administrator and three 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 available sources (revenues, transfer in, and fund balance) 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 145.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Charleston's Economy at a Glance. Charleston County's economic base is diversified and growing. The Charleston-North Charleston Metropolitan Statistical Area ranked 11th in the Milken Institute's "Best-Performing Cities 2011," up from 19th last year and from 30th in 2009. 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 2010 were reported by the Charleston Metro Chamber Economic Outlook Board in March of 2011. 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. According to the U.S. Census Bureau's 2010 Census, the population in the metro area is 664,607, meaning that the percentage growth from 2000 to 2010 has been just over 21 percent. The percentage growth is significant as it surpasses the State of South Carolina's growth (15.3 percent) and the United State's growth (9.7 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 322,107 persons as of 2010. As of June 2011, the Charleston region is experiencing 9.8 percent unemployment, compared to the state of South Carolina at 11.2 percent.

Housing - A total of 9,808 homes were sold in the Charleston region in 2010, which was an increase of 12.7 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 an additional one percent in 2011.

Retail Sales - Total retail sales for the Charleston area rebounded in 2010 with a 12.9 percent increase over the previous year, totaling \$18.38 billion with over \$12.7 billion of that total being spent in Charleston County.

Visitor Industry - The Charleston region attracted over 4.22 million visitors in 2010, generating an economic impact of \$3.03 billion. Hotel occupancy rates were 69 percent for the year, and the average daily rate for lodging was \$115 per night. Attendance rates at area attractions increased by 2.6 percent during 2010. The impact of additional cruise passengers to the Charleston area contributed to the increase. The industry is expected to continue to strengthen over the next few years. The arrival of low-cost carrier Southwest Airlines is expected to boost both leisure travel as well as convention visitation. Kiawah Island will also be host to the 2012 PGA Championship golf tournament in August 2012, which is expected to have a significant impact on the tourism industry in the Charleston region.

Port Activity - The Port of Charleston is consistently recognized as one of the nation's most efficient and productive ports. In 2010, the Port of Charleston handled 1.36 million TEUs (twenty foot equivalent cargo containers), which was an increase of 16 percent from the previous year. Break-bulk cargo totaled 647,811 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 decreased by 7 percent in 2010 with the loss of AirTran Airlines from the market. By comparison, passenger activity also declined 7 percent in Savannah. However, passenger activity for 2011 has already significantly increased with the addition of low cost carrier Southwest Airlines in March 2011. Passenger activity is up 21 percent from January to June of 2011 when compared to the same time period in 2010. The addition of Southwest is expected to have an annual economic impact of \$139 million in Charleston and bring an additional 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. The State Ports Authority (SPA) fiscal year 2011 capital improvement program calls for \$77 million in development and enhancements of new and existing facilities. In addition, the SPA plans to invest nearly \$1.3 billion on capital projects over the next decade.

The Charleston customs district ranks as the nation's eighth largest in dollar value of international shipments, with the Port of Charleston's cargo valued at over \$50 billion in 2010. Top commodities that pass through Charleston docks include consumer goods, agricultural products, vehicles, machinery, chemicals 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 Military. The military has 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 \$4.67 billion. This figure does not include the private sector contractors in Charleston who do work on behalf of the military.

Charleston Air Force Base and the Charleston Naval Weapons Station recently merged to create Joint Base Charleston. They are now the region's largest single employer with 20,172 employees. The combined payroll of Joint Base Charleston has an economic impact of \$4.36 billion to the Charleston region annually. The Air Force portion of Joint Base Charleston 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 Space and Naval Warfare Systems Center Atlantic (SPAWAR) is a high technology, engineering facility that designs, builds, tests, fields, and supports the Navy as well as other federal customers. SPAWAR Atlantic 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 3,100 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 South Carolina'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. Charleston recorded 4.22 million visitors in 2010, providing an economic impact of \$3.03 billion to the local economy. The hospitality industry directly employs 35,200 people in Charleston County, accounting for 12.4 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 14,784 at the end of 2010, with a 69 percent occupancy rate and an average daily rate of \$115 per night.

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, Oceania Cruises, Princess Cruises, Costa Cruises, P & O Cruises, Aida Cruises, Regent Seven Seas 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 Appétit*, 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 \$183 per day in 2010 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 2,560, with over 1,300 faculty members being employed. In 2010, MUSC received over \$238 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 recently completed a 308,000 square-foot, \$164 million campus in Mt. Pleasant which includes a medical office building (90,000 square feet, \$21 million) and a leading-edge hospital (218,000 square feet - \$143 million). The 85-bed full-service hospital opened in late 2010. The hospital includes 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. In 2010, Charleston County continued its success in the recruitment of new jobs and capital investment. Over \$152.5 million in capital investment and 744 jobs were announced. These numbers put Charleston County in the top ten in the state in both jobs creation and capital investment for the year. These results pushed Charleston County over two previous high watermarks, as its cumulative capital investment reached \$4 billion and the creation of new jobs reached 22,000.

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.

In 2010, the Charleston Regional Development Alliance hired targeted economic development strategy developers Avalanche Consulting partnered with renowned site selection consultants McCallum Sweeney to develop a new economic development strategy for the region. The study, *Opportunity Next*, identified four vertical industry targets for the Charleston region:

- Aerospace
- Biomedical
- Advanced Security & IT
- Wind Energy

Aerospace - 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. 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 the Charleston region specifically 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.



The Final Assembly Building had its official ribbon cutting on June 10, 2011. The first aircraft is expected to be delivered from the Charleston facility in 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 cutting-edge 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.

Biomedical – Construction at MUSC is ongoing, and they are expected to complete the construction of both the Drug Discovery Building and the Bioengineering Building in late 2011. The Drug Discovery Building is 114,000 square feet, and will house leading edge laboratory space as well as bio-tech start up space. The South Carolina Research Authority MUSC Innovation Center continues to be a wonderful asset for the biomedical community. The Center is equipped with 11 high-tech labs for use by its entrepreneurial tenants. This facility is a critical piece of infrastructure in the commercialization of pharmaceutical discoveries emanating from the Medical University of South Carolina.

Advanced Security & IT - Information technology companies continued to expand in Charleston during 2011, anchored by nationally known companies servicing research and development contracts from the U.S. Navy's (SPAWAR) Center Atlantic. SPAWAR Systems Center Atlantic added a new \$9.5 million Consolidated Engineering Laboratory in 2011 that will focus on service oriented architecture, server virtualization, cloud computing models, cyber security, virtual storage and other state-of-the-art innovations.

Wind Energy – Wind Energy represents a real growth opportunity for the Charleston region. The sector is anchored locally by the Clemson University Restoration Institute's drive train test facility. The facility is expected to be completed in 2012. The project is expected to cost \$98 million, of which \$45 million will be financed by a US Department of Energy grant. The sector also received a boost in April 2011 when TAM Energy, an affiliate of Titan Atlas Manufacturing, announced it was bringing 75-100 jobs to Charleston that will be responsible for assembling wind turbines for the production of supplemental energy.

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 14,800 students; College of Charleston, with 11,800 students; Charleston Southern University, with 3,200 students; The Citadel, with 3,300 students; and Medical University of South Carolina with 2,500 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 Women's Tennis Association Tier 1 event, is played at the Family Circle Tennis Center (capacity 10,200) on Daniel Island. The 2011 tournament was attended by 94,241 people with a \$25 million economic impact. The Cooper River Bridge Run 10K hosted 34,690 runners in April 2011. 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. *Forbes* named Charleston one of the Best Places for Business & Careers in their July 2011 issue. The Milken Institute ranked Charleston among the nation's Best Performing Cities in October 2010. *Travel + Leisure Magazine* named Charleston one of America's Favorite Cities in November 2010.

The Charleston region offers a sizeable real estate portfolio for a mid-sized market, with over 9.2 million square feet in upscale executive buildings and offices. The 19.6 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 15.4 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 2010, the Charleston region had over 42.8 million square feet of warehouse and flex space. Vacancy stands at 13.5 percent and average lease rates are \$4.11 per square-foot for warehouse space, and \$6.60 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 15 cities in the U.S. including Atlanta, Charlotte, Chicago, Houston, New York, Philadelphia, and Washington D.C.

MAJOR COUNTY INITIATIVES

Charleston County's initiatives in fiscal year 2011 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.

County Council Meetings Televised: To better serve the public, Charleston County Council began televising its committee and regular meetings, as well as streaming live on the internet through the County's website. County Council maintains a DVD collection of past meetings for anyone who does not have a computer. In addition, for real-time emergency information, the public can follow "ChasCountyGov" on Twitter or access the County's Emergency Management Department on Facebook

9-1-1 Center: Moving towards full consolidation, four more dispatch operations were added into the County's Consolidated 911 Center. New efficiencies obtained from the consolidation efforts allow a call taker to remain on the line with the caller, gather more information, and provide additional safety at the scene and/or medical instructions while responders are simultaneously being sent by a separate dispatcher. The ability for dispatchers to talk directly to each other as they are handling emergency calls requiring multi-jurisdictional response has already proven to reduce time spent in getting the appropriate responders.



Library Services: To promote pre-literacy and encourage families to come to the library, Charleston County Public Library created a new PLAY (Public Libraries and You) initiative with programs held in the evenings and on Saturdays so working families would have the opportunity to visit the library together. Each month, more than 100 PLAY programs were held for children at the library's 16 branch locations.

The library increased its program and events, averaging more than 500 programs every month. Programs included: computer classes, jazz, blues and opera music, puppet shows, book discussions, business counseling, crafts and gaming, movies, story times, crafts, resume and cover letter workshops, legal assistance presentations, and much more. Also, WiFi is available at all 16 branches.

Charleston County Council authorized the employment of up to 75 students for a **Summer Youth Work Program**. The goal was for students to obtain summer employment and explore the various career opportunities that exist within County departments while gaining critical workforce skills. All students were screened in advance, providing them with interview training skills, professional behavior training, and an orientation.

The **Elections & Voter Registration Office** received federal grant funds from the Help America Vote Act enabling the use of the Curbside Ballot Call Bell System. The system improved the voting process for individuals with disabilities who required curbside voting and reduced the wait time for assistance to voters. Also, improved wheelchair-marked parking spaces, entrance ramps, and entrance rails were offered at more precinct locations.

The **Emergency Medical Services Department** was named EMS magazine's National Paid EMS Service of the Year. This honor is given to one paid EMS system in the United States each year. The department was chosen based on various criteria that included its innovation in pre-hospital care, program upgrades, the high certification level of its personnel, worker safety and well-being, education and training program, involvement in the medical community, illness and injury prevention project, and public education initiatives. Charleston County EMS was established by County Council in 1973 as the first Countywide EMS service in the State of South Carolina. It serves every municipality in the County.

Through the efforts of the **Economic Development Department**, Charleston County celebrated the addition of Southwest Airlines to Charleston International Airport. Southwest is the nation's largest and most profitable low-fare carrier. The airline's arrival is credited with helping lower fares on other carriers and encouraging more passengers to fly through Charleston. Passenger activity increased 21 percent from January-June 2011 compared to January-June 2010.



Transportation Solutions:



The Transportation Sales Tax's weekly local program, *Charleston County RoadWise*, was launched to discuss the goals, challenges, and successes of the Transportation Sales Tax Program. Viewers are taken to the various project sites, see the progress taking place, and hear from the people responsible for construction. Guests with varied areas of expertise are interviewed each week.

The Charleston County **RoadWise Program** was extremely busy during FY 2011 with the commencement/completion of several major bonded improvement projects throughout the County.

The **Palmetto Commerce Parkway**, nearly six miles in length, is intended to relieve congestion along Dorchester Road and I-26. It will also serve as a direct route for workers traveling to facilities in the Palmetto Commerce Business Park. The Parkway is the first major bonded project that is a brand new road. It will have a tremendous impact on traffic and will be the third way to get between Ashley Phosphate Road and Ladson Road.

The **Johnnie Dodds Boulevard Project** will improve approximately three miles of US 17 from just north of the Arthur J. Ravenel, Jr. Bridge to the south side of the I-526 interchange, including associated frontage roads and side streets. The project also includes the design and construction of a bridge on Bowman Road over Shem Creek, including all required roadway and drainage improvements. The bridge will be approximately 90 feet long and 80 feet wide, and will include sidewalks on both sides.

Other Projects Improving Transportation: Many additional road improvements were implemented by Charleston County Government through annual funding allocated by Charleston County Council to smaller projects throughout the community. These projects included roads and streets which have been resurfaced; drainage improvement projects; intersection improvements projects; and local paving projects. Also completed during the year were the Bee Street and Courtenay Drive Improvements, as well as the Glenn McConnel Parkway/I-526 Improvements.

Detention Center: Through the receipt of federal grant funds, Charleston County completed the installation of solar panels at the Detention Center to save energy costs. Power generated by the solar power system is fed directly into the building power system eliminating the need for an energy storage system. This further reduces the effect on the environment as batteries require replacement and disposal. The system was installed with an estimated savings of \$888,372 over the 30 year life of the solar panels. In the brief time the solar panels have been installed, the amount of carbon dioxide going into the atmosphere has been reduced by 17,710 pounds, which is equivalent to what 1,226 average trees remove from the atmosphere each year. The average production by the solar panel system per day is enough to run six average sized houses per day.

Land Use: Charleston County Government was awarded the *2010 Outstanding Planning Award for Large Jurisdictions* by the South Carolina Chapter of the American Planning Association. The award was given to the County for its *"Comprehensive Plan Update – Guiding the Future for a Lasting Lowcountry."* Adopted by Charleston County Council in November 2008, the 10-year update of the Comprehensive Plan is the future vision for preservation and development in Charleston County. The Plan established strategies for the County to pursue in order to maintain and enhance its high quality and unique landscapes with a focus on strategies that county government can achieve. The Plan includes achievable strategies and innovative implementation tools to preserve rural areas, link fiscal policies to land use and transportation planning, formalize inter-jurisdictional coordination, and promote sustainable development.

Urban/Rural Parkland and Rural Greenspace:

During fiscal year 2011, County Council approved four rural applications that were recommended by the Greenbelt Bank Board. These projects totaled \$3.622 million in rural funding to protect 469 acres. Of the rural funds awarded, \$2.87 million was used to purchase 178 acres for public use. The rural projects were located in the Town of Meggett, the Wiltown Community, and Edisto Island.

Additionally, the Urban Grants Review Committee and the Charleston County Park and Recreation Commission (CCPRC) recommended County Council approve four urban projects located in the municipalities of North Charleston, Mt. Pleasant and Kiawah Island. Council approved all projects which totaled \$6.16 million to purchase 188 acres for public, urban parkland.

Environmental Management:

In fiscal year 2009, County Council established several goals for the **Environmental Management Department**, including closing the waste-to-energy incinerator and increasing county-wide recycling to 40 percent. The County closed the incinerator in January 2010, and has made advances toward reaching the 40 percent recycling goal by expanding the recycling program to accept all paper and plastics. Staff and consultants continue to analyze the best approach, and the cost of improving the overall Environment Management Program.

The Environmental Management Department received the *2011 Outstanding Composting Program Award* for developing and initiating a plan to maximize productivity, expand the operations and materials, and enhance the end product quality of the compost program. This resulted in doubling the County's recycling rate in less than a year. Criteria for the award selection included measurable waste reduction, an education component, full compliance with all applicable federal, state, and local regulators and documented end-use of compost accompanied by laboratory analysis of components.

Also, a new effort to increase curbside participation in recycling through a *Single-Stream Recycling Residential Pilot* program was announced. Approximately 4,600 homes are participating in the pilot program throughout selected neighborhoods with both low and high recycling participation rates. The process, known as single-stream recycling, commingles paper products with containers of plastics, glass, and steel in a roll-cart. The goal is to encourage non-recyclers to participate in the curbside program and for current participants to recycle even more.



In conjunction with the Town of Mount Pleasant, 70 recycling bins were located at ten recreational facilities. The department has also partnered with rural fire stations to offer more drop-off locations for recyclable materials. With the additional locations, rural residents can drop off their recycling at locations along major routes without having to drive to one of the eight regular county convenience centers.

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 less than 1 percent for the year ending June 30, 2011. 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 \$196,671,505 at June 30, 2011, 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 78.

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 107.

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 120 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 117.

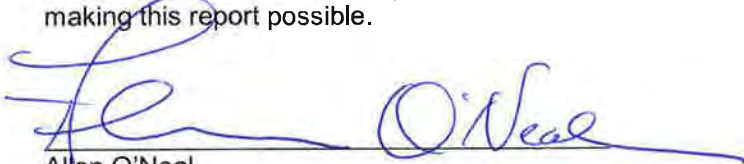
Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the 23rd consecutive year to Charleston County for its fiscal year 2010 Comprehensive Annual Financial Report. 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 22nd consecutive Distinguished Budget Presentation Award for its fiscal year 2011 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 Summer Gillespie, Chrisanne Porter, and Marcus White of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile, and Catherine Ksenzak from the Budget Office; Andrew Smith and Julie Riley-Hollar from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services, Jean Sullivan from Grants Administration; Jackie Proveaux from the Public Works Department; 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.



Allen O'Neal
County Administrator



Keith Bustraan
Assistant County Administrator for Finance



Corine Altenhein
Charleston County Finance Director

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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, 2010

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.



Linda C. Davidson
President
Jeffrey L. Esser
Executive Director

Charleston County, South Carolina Organizational Chart County Departments

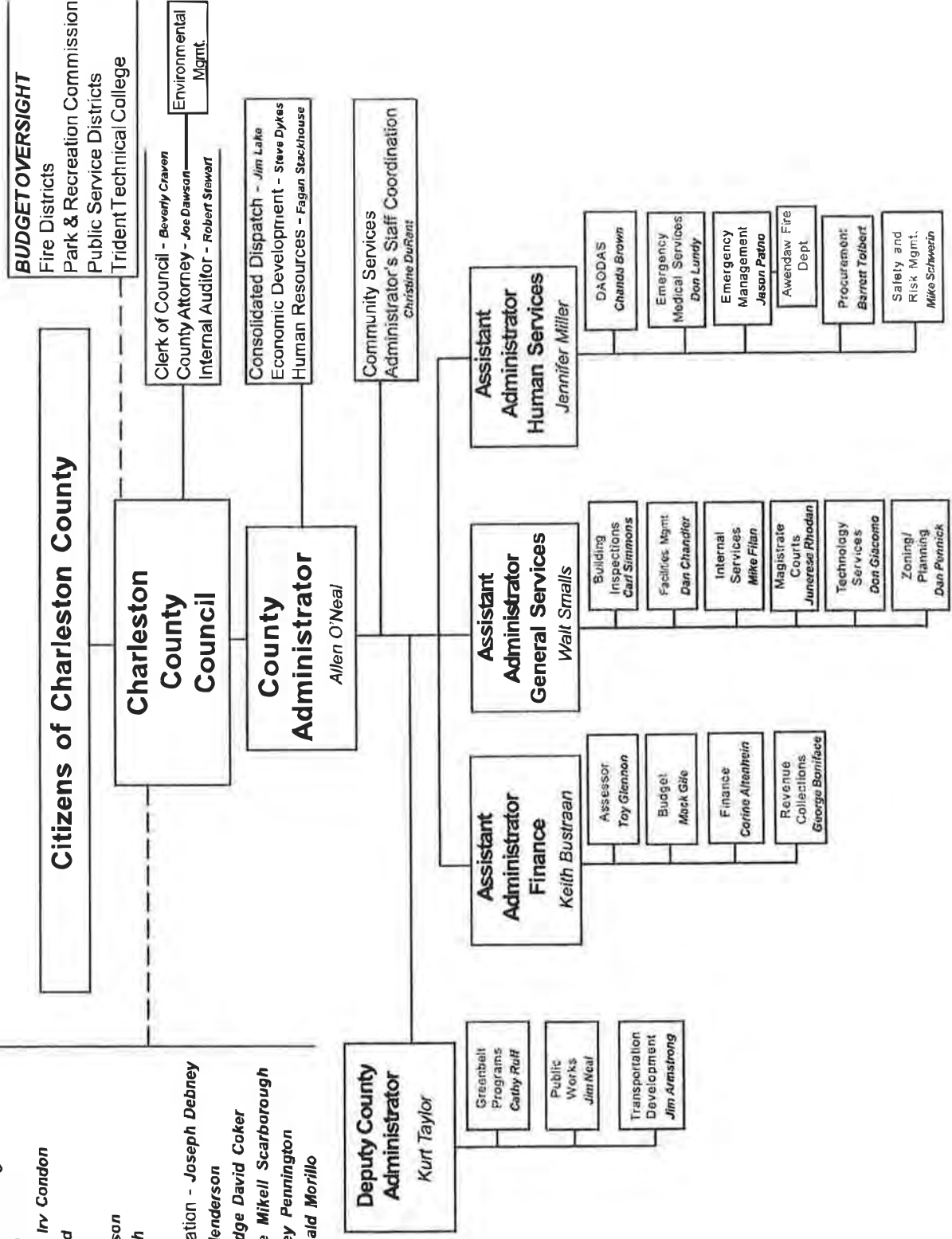
Effective 6/30/2011

ELECTED

Auditor - **Peggy Moseley**
Clerk of Court - **Julie Armstrong**
Coroner - **Rae Wooten**
Probate Court - **Judge Irv Condon**
RMC - **Charlie Lybrand**
Sheriff - **Al Cannon**
Solicitor - **Scarlett Wilson**
Treasurer - **Andy Smith**

APPOINTED

Elections/Voter Registration - **Joseph Debney**
Library Board - **Doug Henderson**
Magistrate Courts - **Judge David Coker**
Master-in-Equity-Judge - **Mikell Scarbarough**
Public Defender - **Ashley Pennington**
Veterans Affairs - **Donald Morillo**



COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2011

MEMBERS OF COUNTY COUNCIL

	<u>Number of Years In Office</u>	<u>Term Expiration Date</u>	
Teddie E. Pryor	6½	12/31/2014	Chairman, District 5
J. Elliott Summey	2½	12/31/2012	Vice Chairman, District 3
Herb Sass	3 mos.	12/31/2014	District 1
Henry D. Schweers	4½	12/31/2014	District 2
Henry E. Darby	6½	12/31/2012	District 4
A. Victor Rawl	2½	12/31/2012	District 6
Colleen T. Condon	6	12/31/2012	District 7
Anna B. Johnson	½	12/31/2014	District 8
Joseph K. Qualey	½	12/31/2014	District 9

ELECTED OFFICIALS

Peggy Moseley	19	06/30/2013	Auditor
Julie J. Armstrong	19½	12/31/2012	Clerk of Court
Rae Wooten	5	12/31/2012	Coroner
Irvin G. Condon	17½	12/31/2014	Probate Court
Charlie Lybrand	17½	12/31/2014	Register Mesne Conveyance
James A. Cannon, Jr.	23½	12/31/2012	Sheriff
Scarlett A. Wilson	4	12/31/2012	Solicitor
Andrew Smith	14	06/30/2013	Treasurer

OTHER OFFICIALS

	<u>Number of Years With County</u>	<u>Years In Current Position</u>	
Allen O'Neal	2½	2½	County Administrator
Keith D. Bustraan	24½	10	Assistant Administrator for Finance
Walter L. Smalls	12	5	Assistant Administrator for General Services
Jennifer Miller	23	4	Assistant Administrator for Human and Environmental Services
W. Kurt Taylor	20	1½	Deputy County Administrator
Corine Altenhein	21	4	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, 2011, 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, 2011, 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, 2011, 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, 2011, 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, 2011.

As discussed in Note II. B. to the financial statements, the County made adjustments that resulted in restatements of beginning net assets for two of its discretely presented component units, to correct certain errors made in the County's financial statements for the year ended June 30, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, 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.



Columbia, South Carolina
January 27, 2012

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, 2011. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. 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 14 of this report, and the County's financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Charleston County reported net assets (total assets less total liabilities) of \$147,813 at June 30, 2011, comprised of \$843,254 in total assets offset by \$695,441 in total liabilities.
- The County's unrestricted net assets were (\$176,751) at June 30, 2011. The negative balance resulted from expenditures in the transportation sales tax fund. The County issued transportation sales tax general obligation bonds in fiscal years 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 expenditures 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 \$43,694 during the fiscal year ended June 30, 2011, with a \$50,793 decrease resulting from governmental activities and a \$7,099 increase 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 \$224,049, which is a \$68,884 decrease from the prior year. Approximately 18 percent or \$41,175 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$41,175 or approximately 26 percent of the total general fund expenditures.
- Charleston County's total assets decreased by \$36,009, while total liabilities increased by \$7,685.

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, 2011. 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 132 through 142 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 158 through 163.

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, Employee Benefits, and Telecommunications. See pages 165 through 169 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 171 through 173 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 122 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 145. 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 178.

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 \$147,813 at the close of fiscal year 2011. This was a decrease of \$43,694 or 22.8 percent during fiscal year 2011.

The largest portion of the County's net assets (\$142,505 or 96.4 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 \$11,287 or 7.6 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 (\$176,751,355), resulting from expenditure of capital proceeds in the transportation and road sales tax special revenue fund. These expenditures were for state and municipal roads projects and municipal and special purpose district greenbelt acquisitions. The assets created by these expenditures 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, \$67,260 or 45.5 percent, represents resources that are subject to external restrictions on how they may be used.

At the end of 2011 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 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, 2011

(Recapped from page 39)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$381,129	\$446,394	\$111,516	\$ 81,680	\$ 492,645	\$528,074
Capital assets	306,888	306,907	43,721	44,282	350,609	351,189
Total assets	\$688,017	\$753,301	\$155,237	\$125,962	\$ 843,254	\$879,263
Long-term liabilities						
outstanding	\$468,703	\$485,157	\$ 14,335	\$ 15,673	\$ 483,038	\$500,830
Other liabilities	181,380	179,417	31,023	7,509	212,403	186,926
Total liabilities	\$650,083	\$664,574	\$ 45,358	\$ 23,182	\$ 695,441	\$687,756
Net assets:						
Invested in capital assets, net of related debt	\$109,880	\$ 98,334	\$ 32,625	\$ 30,486	\$142,505	\$128,820
Restricted-special revenue projects	114,256	11,043	543	519	114,799	11,562
Restricted - other	19,695	20,672	47,565	41,314	67,260	61,986
Unrestricted	(205,897)	(41,322)	29,146	30,461	(176,751)	(10,861)
Total net assets	\$37,934	\$88,727	\$109,879	\$102,780	\$147,813	\$191,507

The County's net assets decreased by \$43,694 during fiscal year 2011. The governmental activities had a decrease in net assets of \$50,793. This is due primarily to expenditures in the transportation and road sales tax special revenue fund. During fiscal year 2011 approximately \$15,690 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 \$38,250 of proceeds from these GOBs were used to construct and improve roads that are not assets of the County.

The business type activities had an increase in net assets of \$7,099 resulting primarily from activity in the environmental management fund. This can be attributed to the ending of the incinerator contract in fiscal year 2010 and the outsourcing of the material recovery facility operations in September 2010. Offsetting the savings is an increase in landfill operations and curbside collection of recyclables.

County of Charleston, South Carolina
Changes in Net Assets (Recapped from pages 40 and 41)
For the Fiscal Year Ended June 30, 2011

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 44,329	\$ 33,333	\$ 38,332	\$ 42,917	\$ 82,661	\$ 76,250
Operating grants and contributions	15,639	29,233	768	284	16,408	29,517
Capital grants and contributions	396	-	-	-	396	-
General Revenues:						
Property taxes	106,384	104,956	-	-	106,384	104,956
Other taxes and fees	91,329	87,432	538	554	91,866	87,986
State aid to political subdivisions	12,111	14,223	-	-	12,111	14,223
Unrestricted investments earnings	837	1,319	85	102	922	1,420
Gain on sale of capital assets	-	-	19	46	19	46
Total Revenues	<u>271,025</u>	<u>270,496</u>	<u>39,742</u>	<u>43,903</u>	<u>310,767</u>	<u>314,398</u>
Program Expenditures:						
Governmental Activities:						
General government	55,668	51,006	-	-	55,668	51,006
Public safety	82,517	77,891	-	-	82,517	77,891
Judicial	26,116	25,578	-	-	26,116	25,578
Public works	80,325	56,597	-	-	80,325	56,597
Health and welfare	7,903	16,553	-	-	7,903	16,553
Economic development	1,457	6,078	-	-	1,457	6,078
Culture and recreation	38,886	41,391	-	-	38,886	41,391
Education	5,885	5,720	-	-	5,885	5,720
Interest and fiscal charges	20,739	21,110	-	-	20,739	21,110
Business-Type Activities:						
DAODAS	-	-	7,803	8,408	7,803	8,408
E-911 communications	-	-	1,565	1,200	1,565	1,200
Environmental management	-	-	19,920	33,738	19,920	33,738
Parking garages	-	-	1,968	1,969	1,968	1,969
Radio communications	-	-	2,226	2,227	2,226	2,227
Revenue collections	-	-	1,483	1,721	1,483	1,721
Total Expenditures	<u>319,496</u>	<u>301,924</u>	<u>34,965</u>	<u>49,263</u>	<u>354,461</u>	<u>351,187</u>
Excess (deficiency) of revenue over (under) expenditures	(48,471)	(31,429)	4,777	(5,360)	(43,694)	(36,789)
Transfers	(2,322)	(4,493)	2,322	4,493	-	-
Increase (Decreases) in Net Assets	<u>(50,793)</u>	<u>(35,922)</u>	<u>7,099</u>	<u>(867)</u>	<u>(43,694)</u>	<u>(36,789)</u>
Net assets, beginning	88,727	124,649	102,780	103,647	191,507	228,296
Net Assets, ending	<u>\$37,934</u>	<u>\$88,727</u>	<u>\$109,879</u>	<u>\$102,780</u>	<u>\$147,813</u>	<u>\$191,507</u>

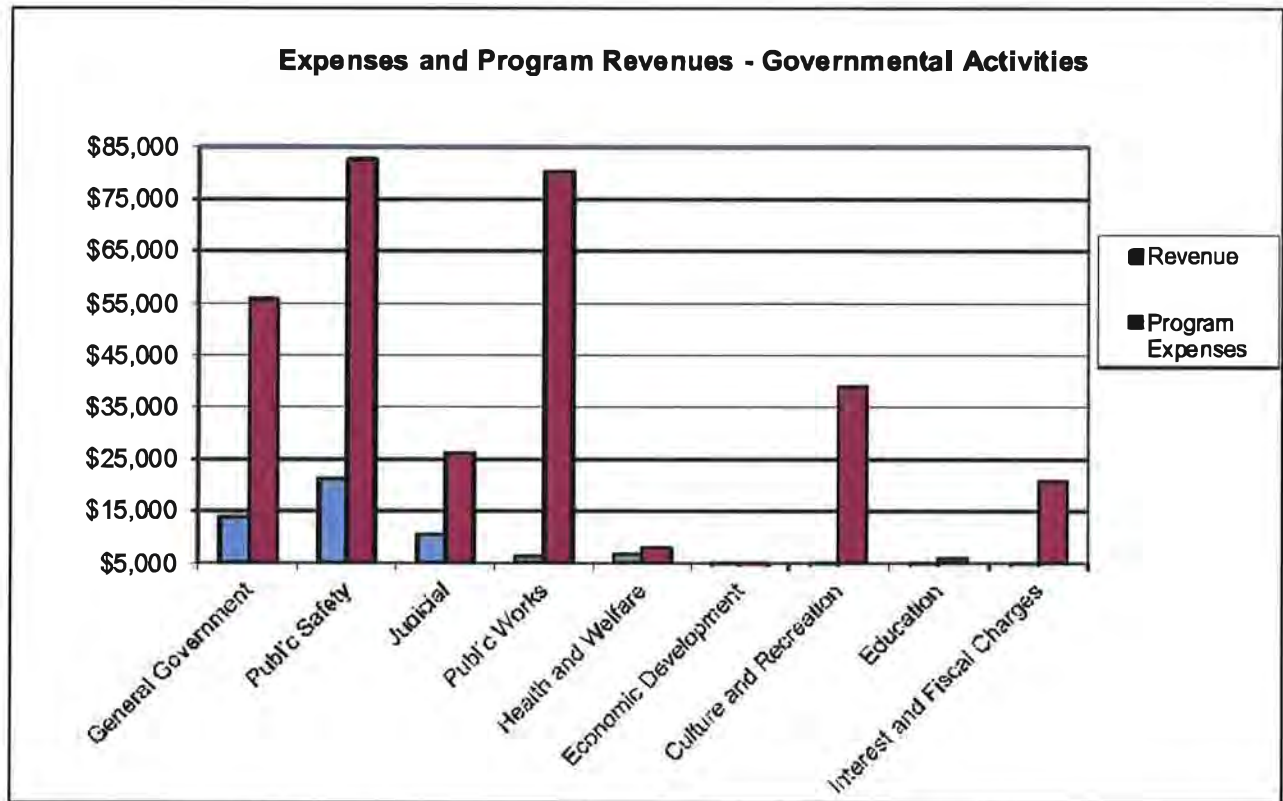
Governmental Activities. Governmental activities decreased the County's net assets by \$50,793. Key elements of the decrease are:

Total expenditures for the year increased by \$17,572 (5.8 percent).

- Public works expenditures increased \$23,728 (41.9 percent) reflecting increased spending on the road projects funded from the transportation and roads sales tax special revenue fund.
- General government expenditures increased \$4,662 (9.1 percent). This increase can be contributed to several departments: facilities management increased due to growth in utility costs, technology services had increased expenditures for maintenance contracts and the assessor's office had increased costs for the implementation of reassessment.
- Public safety expenditures show an increase of \$4,626 (5.9 percent.). This increase can be attributed to increased personnel costs in the Sheriff's office and in consolidated dispatch.
- Offsetting these increases are decreases in health and welfare, economic development and culture and recreation.
 - Health and welfare shows decrease of \$8,650 (52.3 percent.) The workforce investment act program was transferred to the Berkeley-Charleston-Dorchester Council of Governments (BCD COG) with the commencement of fiscal year 2011.
 - Economic development has a decrease of \$4,621 (76 percent). Fiscal year 2010 included one-time state grant funds for site development for the Boeing plant.
 - Culture and recreation shows a decrease of \$2,505 (6.1 percent) due to reduced spending for greenbelt acquisitions.

Total revenues for the year showed a slight increase of \$529.

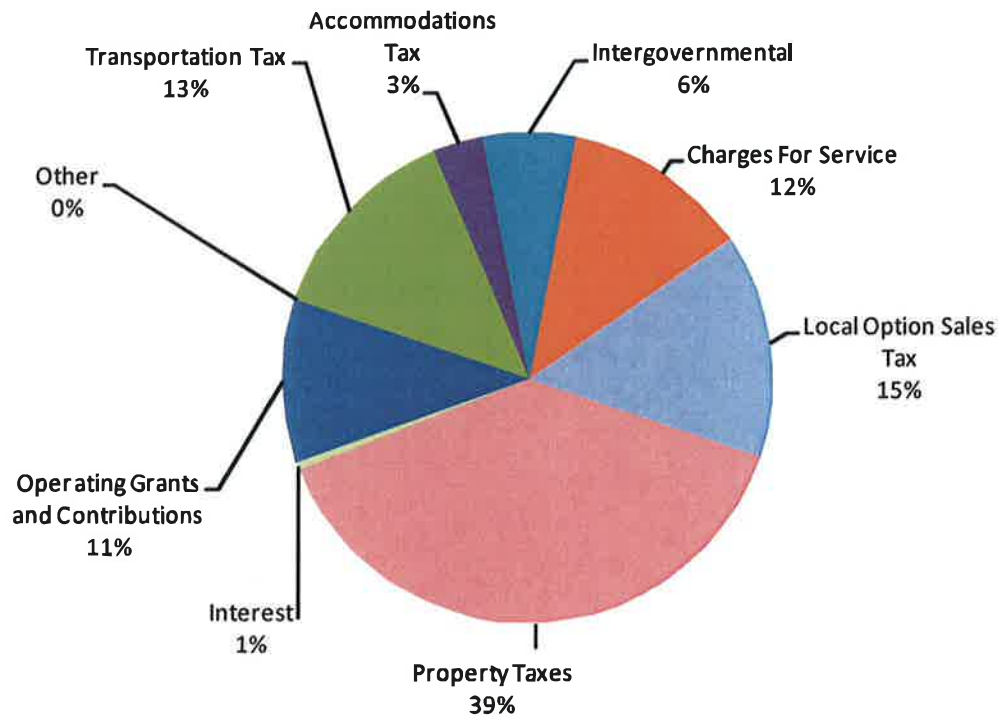
- Charges for services increased by \$10,996 (33 percent) during the year reflecting the settlement of a lawsuit on the Judicial Center project, growth in EMS collections and federal prisoner per diem.
- Other taxes and fees increased by \$3,897 (4.5 percent). The local option sales tax, transportation sales tax and accommodations tax all showed growth during the fiscal year because of increased consumer spending.
- Property taxes increased by \$1,428 (1.4 percent) due growth in the property base for fiscal 2011.
- Operating grants and contributions decreased by \$13,594 (46.5 percent) during the year. This reflects the transfer of the workforce investment act program to BCD COG. In addition the County received a one-time grant in fiscal year 2010 for site development at the Boeing plant
- State aid to subdivisions decreased by \$2,112 (14.8 percent) due to a decrease in state revenues and the decision by state lawmakers to provide funding at an amount less than called for by the legislated state formula.



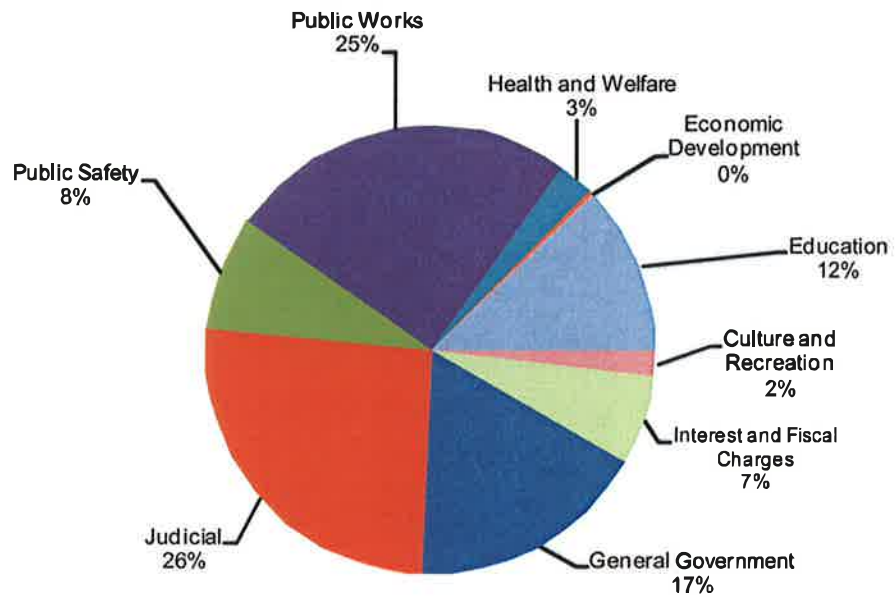
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Revenues by Source - Governmental Activities

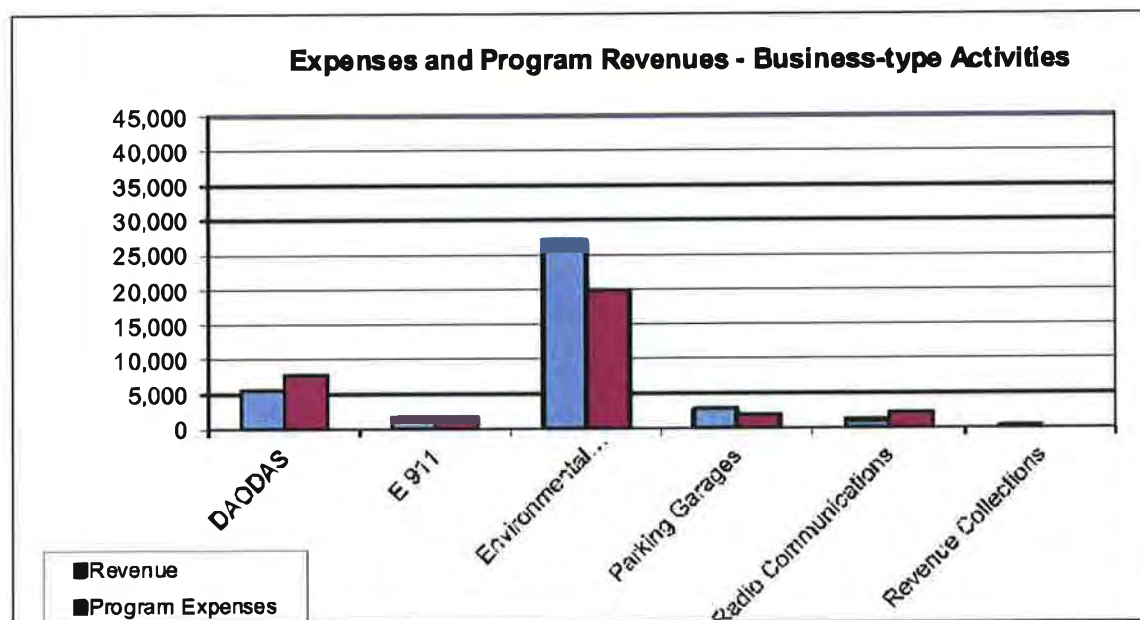
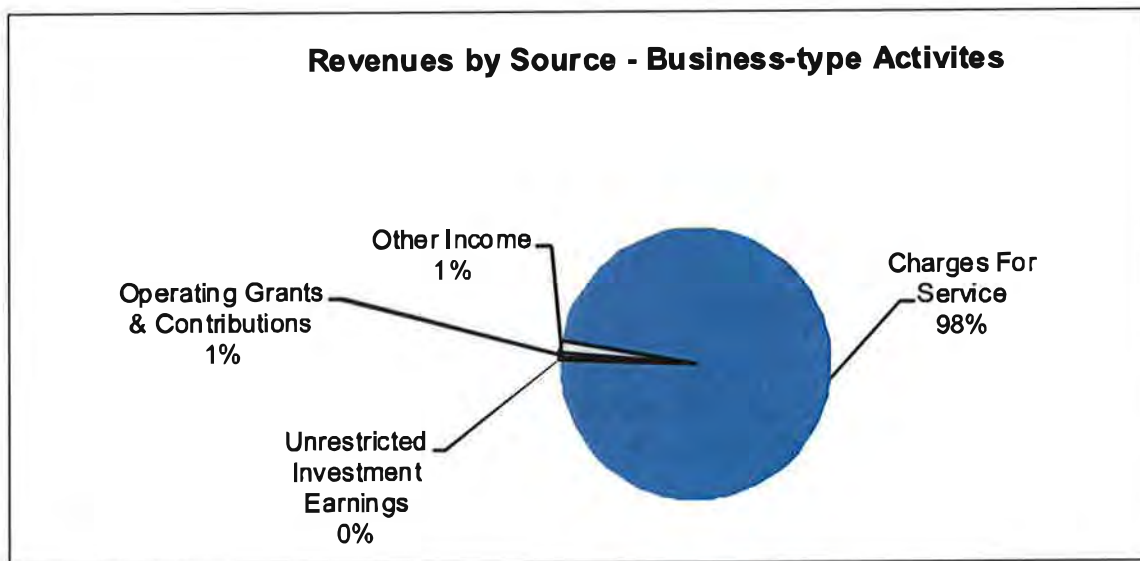


Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities increased the County's net assets by \$7,099. The key elements of this decrease were:

- Environmental management had an increase in net assets of \$7,374 which is primarily due to the expiration of the incinerator 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.
- DAODAS had an increase in net assets of \$847 which can be attributed to a transfer in from the debt service fund to cover principal and interest payments on the certificates of participation issued to build Charleston Center.
- The parking garages showed a decrease in net assets of \$1,160 which is primarily due to a transfer out to the capital projects fund of excess garage renovation funds.
- Revenue collections had a decrease in net assets of \$705 after the elimination of the fee paid by county departments for collections of revenues. These revenues include solid waste user fee, business licenses and accommodations fee.



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

As of the end of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$224,049, a decrease of \$68,884 in comparison with the prior year. This decrease is largely due to the transportation and road sales tax special revenue fund which showed a drop in fund balance of \$66,456. The GOB capital projects fund had a decrease of \$1,339 and the debt service fund showed a decrease of \$978.

The ending fund balance of \$224,049 for the governmental funds is composed of five components: unassigned fund balance of \$41,175, assigned fund balance of \$10,093, committed fund balance of \$37,749, restricted fund balance of \$133,952 and nonspendable fund balance of \$1,080.

Unassigned fund balance accounts for approximately 18.4 percent or \$41,175 of the total fund balance constitutes. Unassigned fund balance is available for spending at Charleston County's discretion.

Assigned fund balance is \$10,093 or 4.5 percent of the ending fund balance. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$37,749 or 16.8 percent of ending fund balance and is comprised of the fund balances in the capital project funds. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of County Council.

The restricted fund balance totals \$133,952 or 59.8 percent of ending fund balance. The major reserved fund balances are: 1) for roads and stormwater projects of \$94,633, 2) for debt service of \$19,695, 3) for greenbelt and tourist-related expenditures of \$11,513. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Nonspendable fund balance is \$1,080 or 0.5 percent of ending fund balance. Nonspendable fund balance accounts for inventories recorded in the general fund.

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$41,175 while total fund balance reached \$52,349. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$8,087 and is composed of \$2,388 from the general fund and \$5,700 from the environmental management fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.3 percent of total general fund expenditures, while total fund balance represents 33.4 percent of that same amount. This meets the County's financial policy of maintaining an unassigned fund balance of 1½ to 2 months of expenditures. Excluding the rainy day fund from the calculation, unassigned fund balance is 24.8 percent of expenditures, which also meets the financial policy. There was a slight decrease of \$247 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$5,782 or 3.5 percent higher than the previous fiscal year.

- Property and local option sales tax revenues were \$3,057 or 2.6 percent over the previous year. Approximately half of the increase, \$1,384, is due to higher local option sales tax collections over the prior year due to increased consumer spending. Current property tax collections were up over the prior year by \$1,143 due to growth in the property tax base. Lastly, delinquent tax collections were \$417 higher than the previous year.
- Intergovernmental revenues increased \$2,270 or 10.8 percent over fiscal year 2010. Local government reimbursements increased \$2,397 for the expanded consolidated dispatch operations center which reflects the assumption of dispatch services for several new entities. In addition there was an increase of \$1,702 in per diem for federal prisoners held in the Charleston County detention center. The detention center expansion opened in 2010 and resulted in an increase in inmate capacity of 1,334. The new facility and increased capacity allowed to Sheriff to accept more federal inmates than in previous years. Offsetting these increases is a decrease of \$2,112 in the local government fund allocation from the state reflecting decreasing state revenues.
- Service charges are up \$1,304 or 7 percent. Increases in EMS fees of \$961 and RMC fees of \$228 account for most of the growth. EMS saw an increase in call volume and the RMC experienced additional home sales and refinancing activity.
- These increases are offset by a decrease in interest earnings of \$473 (38 percent) and fines and forfeitures of \$397 (17.8 percent).

Expenditures increased by \$7,121 or 4.8 percent.

- Public Safety expenditures are up \$4,916 or 7.2 percent. Expenditures for the Sheriff increased \$2,951 or 5.5 percent due to increased personnel costs. Consolidated dispatch expenditures are up \$2,476 or 100.3 percent over the prior fiscal year which reflects the addition of staff members to dispatch for the City of Charleston Fire Department, the City of North Charleston, Folly Beach, St. Andrews Fire Department, and St. John's Fire Department.
- General Government expenditures are increased \$2,432 or 6 percent. Facilities Management expenditures increased \$1,238 or 11.7 percent which reflects the higher cost of utilities. Technology services is up \$696 or 9.6 percent which reflects increased capital costs and increases in maintenance contracts. The assessor's office is increased \$475 or 15.5 percent for the implementation of reassessment.

Transfers out increased \$4,384 or 38.3 percent. This is primarily due to a mid-year budget amendment approved by Council which increased transfers out by \$8,600. The budget amendment provided for \$5,300 in additional pay-as-you-go funding for the capital projects program. In addition, \$2,300 was transferred to the capital replacement fund and \$1,000 was transferred to the workers' compensation internal service fund. Funding for the budget amendment was from fiscal year 2010 fund balance, which exceeded amounts required by the financial policy.

Debt Service Fund. The debt service fund balance is \$19,695 and is \$978 or 4.7 percent lower than the prior fiscal year. The use of fund balance was anticipated in the fiscal year 2011 budget. Transfers in were reduced \$4,110. Fiscal year 2010 included a one-time transfer in of \$5,407 which was the premium on the 2009 general obligation bond issuance.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance was reduced \$66,455 or 42.4 percent from the prior fiscal year. Total expenditures were \$104,157 an increase of \$20,430 from the prior fiscal year. Public works expenditures for road work increased \$24,731 while culture and recreation expenditures decreased \$4,326, reflecting a decrease in greenbelt property purchases. Revenues showed an increase of \$3,545. This results from an increase in sales tax collections of \$1,638 and intergovernmental revenues of \$2,314 for the MUSC road improvement project.

GOB Capital Projects Fund. This fund showed a decrease in fund balance of \$1,339 or 4.7 percent. Expenditures decreased \$30,376 reflecting the completion of the detention center in fiscal year 2010. Other financing sources decreased \$41,602 as fiscal year 2010 included the issuance of \$50,000 in general obligation bonds.

Other Governmental Funds. The other governmental funds had a slight increase in fund balance of \$136 from the prior fiscal year.

Nonmajor Capital Projects Funds. The nonmajor capital projects funds reflected a total fund balance of \$10,744 and are shown on pages 135 through 136 and 142. The fund balance for the nonmajor capital projects funds decreased \$299 from fiscal year 2010. The construction fund increased \$1,557 while the ITS/MIS and equipment replacement funds decreased \$873 and \$850, respectively.

Nonmajor Special Revenue Funds. The nonmajor special revenue funds have a combined total fund balance of \$24,096, all classified as restricted. Nonmajor special revenue funds are shown on pages 132 through 135, and 138 through 142. The fund balance for the non-major special revenue funds increased \$435 from the prior year. The largest increase in fund balance is in the construction public works fund which accounts for state C-fund expenditures.

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, 2011, are \$86,294 (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 \$73,552. The nonmajor proprietary funds have total net assets of \$12,742. These funds include E-911 communications, DAODAS, radio communications, and revenue collections. See pages 50 through 55, 158 through 163 and 165 through 169 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 \$86,294 (before internal eliminations), an increase of \$4,268 or 5.2 percent in comparison with the prior year. The environmental management fund accounted for \$5,471 of this increase due to cost savings with the elimination of the incinerator contract. Offsetting this is a decrease in net assets of \$1,146 in the parking garages fund resulting from a transfer out to the capital projects fund of excess garage renovation funds.

General Fund Budgetary Highlights

During fiscal year 2011 County Council approved an adjustment to the general fund budget totaling \$9,700. In addition, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

The budget was adjusted by \$9,700 during the fiscal year. The source of funds was fiscal 2010 fund balance that was in excess of the county's reserve policies. The expenditure increases included \$5,300 for the capital improvement plan (law enforcement center), \$2,300 for equipment replacement, \$1,100 for a voluntary retirement incentive program, and \$1,000 for the workers' compensation costs.

Actual revenues and transfers in were \$13,310 over the final budget. The most significant revenue variances are outlined below:

- Property and local option sales taxes were over budget by \$7,303. Current property tax collections were \$3,668 over budget due to growth in the property base. Local option sales tax collections exceeded the budget by \$2,340 reflecting an increase in consumer spending primarily in the second half of the fiscal year. Finally, delinquent tax collections exceeded budget by \$1,295, due to conservative budget estimates.
- Service charges were over budget by \$3,506. Master-in-Equity fees were \$1,191 over budget reflecting increased foreclosure activity. RMC fees were \$832 over budget reflecting increased refinancing and home sale activities. Finally, Emergency medical service fees were \$1,030 over budget reflecting increases in service calls.

- Intergovernmental revenues were over budget by \$1,988 due to increased federal inmate per diem. The housing capacity of the detention center increased with the opening of the expansion during fiscal year 2010. This allowed the Sheriff to accept more federal inmates, including those from immigration services.

Actual expenditures and transfers out were \$6,256 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology services was \$1,448 below budget. Multi-year projects, such as funding for state mandates and the business continuity plan were not completed during the fiscal year. The budget for these projects was rolled to fiscal year 2012. Capital purchases of \$407 were not completed by the end of the fiscal year, but were encumbered and rolled to fiscal year 2012. In addition, there were savings in maintenance contracts.
- Facilities Management was \$886 below budget largely due to savings on maintenance supplies. These savings were encumbered at the end of the fiscal year.
- The Sheriff's office was \$652 below budget. These savings can be attributed to the detention center which was below budget for many of its inmate related accounts such as medical services, food, and custodial and laundry. The majority of this savings was rolled to fiscal year 2012 through encumbrances or Council action.
- Consolidated Dispatch was \$423 below budget due to lower personnel costs during the transition from other local governments. Savings were seen in consultant fees and computer capital. These savings were encumbered at the end of the fiscal year

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, 2011, amounted to \$350,609 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The County's investment in capital assets decreased \$580 or 0.2 percent for the current year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and easements	\$ 16,704	\$ 16,808	\$ 3,951	\$ 3,951	\$ 20,655	\$ 20,759
Buildings	236,257	243,276	16,451	16,878	252,708	260,154
Improvements other than buildings	733	780	15,389	253	16,122	1,033
Machinery and equipment	25,708	27,540	6,488	6,870	32,196	34,410
Infrastructure	15,222	15,382	-	-	15,222	15,382
Construction in progress	12,264	3,121	1,442	16,329	13,706	19,451
Total	<u>\$ 306,888</u>	<u>\$ 306,907</u>	<u>\$ 43,721</u>	<u>\$ 44,282</u>	<u>\$ 350,609</u>	<u>\$ 351,189</u>

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

Long-Term Debt. At the end of the current fiscal year, Charleston County had total certificates of participation (COPs) and bonded debt outstanding of \$441,460. Of this amount, \$394,957 comprises debt backed by the full faith and credit of the government (general obligation bonds), \$41,498 is comprised of certificates of participation secured by the capital assets constructed with their proceeds, and \$5,005 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, 2011, this obligation is recorded at a net present value of \$32,051 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 394,957	\$ 406,591	\$ -	\$ -	\$ 394,957	\$ 406,591
Certificates of participation	35,246	41,757	6,252	7,422	41,498	49,179
Revenue bonds	-	-	4,844	6,374	4,844	6,374
Intergovernmental note payable	<u>32,051</u>	<u>33,152</u>	<u>-</u>	<u>-</u>	<u>32,051</u>	<u>33,152</u>
Total	<u>\$ 462,254</u>	<u>\$ 481,500</u>	<u>\$ 11,096</u>	<u>\$ 13,796</u>	<u>\$ 473,350</u>	<u>\$ 495,296</u>

The County's total bonded debt decreased by \$21,946 (4.4 percent) during the current fiscal year. No new debt was issued during fiscal year 2011.

During July 2011, the County issued \$27,100 in General Obligation Capital Improvement Bonds which will be used for defraying a portion of the costs for the nursing school facility at the tri-county Trident Technical College and the costs for the Charleston County Law Enforcement Center. In addition, the County issued \$167,000 in General Obligation Transportation Sales Tax Bonds to provide funds to defray a portion of the costs for certain road projects and the costs for greenbelt projects.

The July 2011 GOBs were rated Aaa by Moody's Investor Services and AAA by Standard and Poor's Corporation. Fitch, Inc upgraded the County's outstanding 2004 and 2006 GOBs to AAA during August 2011.

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 \$251,667. The outstanding debt at June 30, 2011 subject to the debt limitation is \$173,825. 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 92 through 106 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2012 general fund budget is a balanced budget. Total disbursements are \$171,081, a decrease of \$5,618 or 3.2 percent from the prior year. The budget includes the use of \$6,130 of fund balance for pay-as-you-go capital projects and other one-time expenditures. As a result of a state-mandated property base reassessment, the millage rates for the general fund will decline from 40.2 mills to 39.1 mills and the debt service fund will decline from 6.6 mills to 6.1 mills. The local option sales tax credit will also decline from \$71 to \$70 (per \$100,000 appraised value).

The general fund budgeted revenues for fiscal year 2012 increased by \$4,153 or 2.6 percent from 2011. The major changes are:

- Federal prisoner revenue at the detention center is anticipated to increase \$1,500 or 57.7 percent. This increase reflects higher utilization of the County's recently expanded detention center by federal agencies to house federal detainees.
- The local option sales tax is anticipated to increase \$1,290 or 3.3 percent. This increase reflects an anticipated improvement in the local economy.
- State aid to local governments is decreased \$1,540 or 12.6 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 2012.

The general fund budgeted disbursements for fiscal year 2012 are decreased \$5,618 or 3.2 percent from fiscal year 2011. The major change for fiscal year 2012 is:

The transfers to other funds are anticipated to decrease by \$5,822 or 36.5 percent to reflect using less fund balance for pay-as-you-go capital projects.

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, Suite A225, North Charleston, SC 29405-7464.

BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 4,610,078	\$ 272,829	\$ 4,882,907	\$ 40,928,260
Pooled cash and cash equivalents	71,812,753	13,544,053	85,356,806	-
Pooled investments	137,423,401	-	137,423,401	-
Non-pooled investments	-	-	-	3,079,180
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash - current portion	-	1,611,385	1,611,385	-
Receivables (net of allowances for uncollectibles)	179,406,424	21,968,410	201,374,834	37,304,419
Interest receivable from note receivable	2,356	-	2,356	-
Due from primary government	-	-	-	609,333
Internal balances - current	(22,370,699)	22,370,699	-	-
Inventories	1,432,453	-	1,432,453	623,812
Prepaid items and deposits	-	-	-	439,229
Note receivable - internal balances	(216,396)	216,396	-	-
Note receivable - within one year	346,926	-	346,926	-
Note receivable - more than one year	721,641	-	721,641	-
Deferred issuance costs	1,860,857	191,977	2,052,834	254,673
Other noncurrent assets	-	-	-	40,000
Restricted assets - non-current:				
Temporarily restricted:				
Cash and cash equivalents	1,307,838	51,340,204	52,648,042	6,518,837
Non-pooled investments	4,665,951	-	4,665,951	-
Capital assets, net of accumulated depreciation:				
Land and easements - nondepreciable	16,704,242	3,950,930	20,655,172	75,953,794
Construction in progress - nondepreciable	12,264,371	1,442,511	13,706,882	2,165,713
Infrastructure - nondepreciable	8,557,395	-	8,557,395	-
Artwork and other - nondepreciable	-	-	-	11,000
Buildings	236,256,665	16,451,018	252,707,683	60,956,988
Improvements other than buildings	732,502	15,388,819	16,121,321	19,120,570
Machinery and equipment	25,707,698	6,487,765	32,195,463	32,870,424
Infrastructure	6,664,969	-	6,664,969	42,249,469
Library materials	-	-	-	22,339,056
Accumulated depreciation	-	-	-	(86,228,522)
Total assets	688,016,425	155,236,996	843,253,421	259,236,235
LIABILITIES				
Accounts payable	12,308,232	24,604,485	36,912,717	2,215,475
Accrued payroll and fringe benefits	5,094,064	482,558	5,576,622	638,451
Due to component units	609,333	-	609,333	-
Intergovernmental payable	5,489,434	3,070,038	8,559,472	19,645
Interest payable	4,909,492	110,209	5,019,701	400,005
Unearned revenue	132,869,829	2,115	132,871,944	35,879,609
Noncurrent liabilities:				
Due within one year	20,098,967	2,753,344	22,852,311	5,848,404
Due in more than one year	468,703,159	14,335,381	483,038,540	43,779,531
Total liabilities	650,082,510	45,358,130	695,440,640	88,781,120
NET ASSETS				
Invested in capital assets, net of related debt	109,879,879	32,625,114	142,504,993	127,117,150
Restricted for:				
Environmental trust operations	-	45,008,031	45,008,031	-
Special revenue projects	114,256,247	543,333	114,799,580	4,243,274
Debt service	19,694,980	2,556,552	22,251,532	14,391,619
Donors	-	-	-	27,310
Unrestricted	(205,897,191)	29,145,836	(176,751,355)	24,675,762
Total net assets	\$ 37,933,915	\$ 109,878,866	\$ 147,812,781	\$ 170,455,115

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 55,667,451	\$ 13,632,343	\$ 187,174	\$ -	\$ (41,847,934)	\$ -	\$ (41,847,934)	\$ -
Public safety	82,516,821	19,420,040	1,886,062	396,000	(60,814,719)	-	(60,814,719)	-
Judicial	26,116,113	8,379,703	2,204,460	-	(15,531,950)	-	(15,531,950)	-
Public works	80,325,185	1,780,797	4,551,019	-	(73,993,369)	-	(73,993,369)	-
Health and welfare	7,903,090	233,266	6,488,546	-	(1,181,278)	-	(1,181,278)	-
Economic development	1,457,107	-	321,952	-	(1,135,155)	-	(1,135,155)	-
Culture and recreation	38,886,387	882,902	-	-	(38,003,485)	-	(38,003,485)	-
Education	5,884,830	-	-	-	(5,884,830)	-	(5,884,830)	-
Interest and fiscal charges	20,739,273	-	-	-	(20,739,273)	-	(20,739,273)	-
Total governmental activities	319,496,257	44,329,051	15,639,213	396,000	(259,131,993)	-	(259,131,993)	-
Business-type activities:								
DAODAS	7,802,742	5,095,135	605,096	-	-	(2,102,511)	(2,102,511)	-
E-911 Communications	1,564,753	1,690,605	-	-	-	125,852	125,852	-
Environmental Management	19,920,437	27,092,882	163,221	-	-	7,335,666	7,335,666	-
Parking Garages	1,967,543	2,807,563	-	-	-	840,020	840,020	-
Radio Communications	2,226,407	1,137,250	-	-	-	(1,089,157)	(1,089,157)	-
Revenue Collections	1,483,346	497,742	-	-	-	(985,604)	(985,604)	-
Total business-type activities	34,965,228	38,321,177	768,317	-	-	4,124,266	4,124,266	-
Total primary government	\$ 354,461,485	\$ 82,650,228	\$ 16,407,530	\$ 396,000	(259,131,993)	4,124,266	(255,007,727)	-
Component Units:								
Charleston County Library	\$ 15,150,259	\$ 661,819	\$ 14,136,367	\$ 389,153	-	-	-	37,080
Charleston County PRC	30,440,228	12,895,750	-	10,720,725	-	-	-	(6,823,753)
Cooper River Park & Playground	219,888	-	-	-	-	-	-	(219,888)
James Island PSD	10,983,594	4,687,263	-	-	-	-	-	(6,296,331)
North Charleston District	1,309,704	-	-	-	-	-	-	(1,309,704)
St. Andrew's Parish Parks & Playground	3,093,433	1,526,382	3,102	-	-	-	-	(1,563,949)
St. John's Fire District	10,436,696	-	-	64,600	-	-	-	(10,372,096)
St. Paul's Fire District	5,038,479	-	-	476,876	-	-	-	(4,561,603)
Charleston County Volunteer Rescue Squad	443,535	-	297,393	-	-	-	-	(146,142)
Total component units	\$ 77,115,816	\$ 19,771,214	\$ 14,436,862	\$ 11,651,354	-	-	-	(31,256,386)

General Revenues:				
Property taxes	106,384,010	-	106,384,010	-
Charleston County PRC	-	-	-	15,714,621
Cooper River Park & Playground	-	-	-	164,513
James Island PSD	-	-	-	6,378,175
North Charleston District	-	-	-	1,011,395
St. Andrew's Parish Parks & Playground	-	-	-	1,382,505
St. John's Fire District	-	-	-	10,368,724
St. Paul's Fire District	-	-	-	4,434,211
Local option sales tax	41,340,224	-	41,340,224	-
Transportation sales tax	37,930,907	-	37,930,907	-
Accommodations tax	9,927,318	-	9,927,318	-
Franchise tax	578,864	-	578,864	45,539
Alcohol beverage tax	-	537,486	537,486	-
Merchants inventory tax and manufacturer's depreciation	1,440,092	10,832	1,450,924	1,103,536
Motor carrier tax	111,247	-	111,247	-
Unrestricted state aid to political subdivisions	12,111,216	-	12,111,216	-
Grants and contributions not restricted to specific program	-	-	-	2,103
Unrestricted investment earnings	837,142	85,303	922,445	92,844
Gain on sale of capital assets	-	18,643	18,643	185,589
Fundraising and donations	-	-	-	77,638
Miscellaneous	-	-	-	630,869
Transfers	(2,322,103)	2,322,103	-	-
Total general revenues and transfers	<u>208,338,917</u>	<u>2,974,367</u>	<u>211,313,284</u>	<u>41,592,262</u>
 Change in net assets	 (50,793,076)	 7,098,633	 (43,694,443)	 10,335,876
Net assets - beginning, as restated (component unit)	88,726,991	102,780,233	191,507,224	160,119,239
Net assets - ending	<u>\$ 37,933,915</u>	<u>\$ 109,878,866</u>	<u>\$ 147,812,781</u>	<u>\$ 170,455,115</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	ASSETS					Total
	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	Governmental Funds
Non-pooled cash and cash equivalents	\$ 1,791,307	\$ -	\$ -	\$ -	\$ 2,818,771	\$ 4,610,078
Pooled cash and cash equivalents	18,134,796	-	-	-	31,717,501	49,852,297
Pooled Investments	18,002,828	14,499,382	75,113,680	29,807,511	-	137,423,401
Restricted cash and cash equivalents	-	343,556	-	-	964,282	1,307,838
Restricted Investments	-	4,665,951	-	-	-	4,665,951
Receivables (net of allowances for uncollectibles)	129,173,811	18,369,452	17,492,334	-	14,119,370	179,154,967
Due from other funds	2,520,574	-	-	-	-	2,520,574
Inventories	1,080,137	-	-	-	-	1,080,137
Total assets	\$ 170,703,453	\$ 37,878,341	\$ 92,606,014	\$ 29,807,511	\$ 49,619,924	\$ 380,615,243
	LIABILITIES AND FUND BALANCES					
Liabilities:	\$ 2,050,722	\$ -	\$ 1,843,909	\$ 2,781,800	\$ 1,661,178	\$ 8,337,609
Accounts payable	4,521,110	-	34,485	-	408,953	4,964,548
Accrued payroll and fringe benefits	609,333	-	-	-	-	609,333
Due to component units	643,974	-	-	-	1,306,524	1,950,498
Due to other funds	693,022	-	567,836	20,836	3,994,767	5,276,461
Intergovernmental payable	109,836,659	18,183,361	-	-	7,407,991	135,428,011
Deferred revenue	118,354,920	18,183,361	2,446,230	2,802,636	14,779,413	156,566,460
Total liabilities						
Fund balances:	1,080,137	-	-	-	-	1,080,137
Nonspendable - Inventories	-	19,694,980	-	-	-	19,694,980
Restricted - Debt service	-	-	-	-	33,047	33,047
Restricted - General Government	-	-	-	-	3,675,813	3,675,813
Restricted - Public Safety	-	-	-	-	3,318,661	3,318,661
Restricted - Judicial	-	-	-	-	15,274,510	94,632,757
Restricted - Public Works	-	-	79,358,247	-	398,459	398,459
Restricted - Health and Welfare	-	-	-	-	684,609	684,609
Restricted - Economic Development	-	-	-	-	711,364	11,512,901
Restricted - Culture and Recreation	-	-	10,801,537	27,004,875	10,744,048	37,748,923
Committed - Capital project funds	-	-	-	-	-	8,095,912
Assigned - General Government	8,095,912	-	-	-	-	1,794,333
Assigned - Public Safety	1,794,333	-	-	-	-	2,522
Assigned - Judicial	2,522	-	-	-	-	113,092
Assigned - Public Works	113,092	-	-	-	-	87,482
Assigned - Health and Welfare	87,482	-	-	-	-	41,175,155
Unassigned	41,175,155	-	-	-	-	224,048,783
Total fund balances	52,348,633	19,694,980	90,159,784	27,004,875	34,840,511	224,048,783
Total liabilities and fund balances	\$ 170,703,453	\$ 37,878,341	\$ 92,606,014	\$ 29,807,511	\$ 49,619,924	\$ 380,615,243

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSTS OF GOVERNMENTAL ACTIVITIES
June 30, 2011

Total Governmental Fund Balances **\$ 224,048,783**

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. **297,974,749**

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

Deferred issuance costs	\$	1,860,857	
Interest receivable		2,356	
Note receivable		1,068,567	
Property taxes		<u>2,558,182</u>	5,489,962

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. **12,944,618**

Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance. **(23,584,749)**

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	\$	(394,957,209)	
Certificates of participation		(35,245,570)	
Leases payable		(2,283,607)	
Compensated absences		(9,498,835)	
Intergovernmental note payable		(32,051,316)	
Accrued interest payable		<u>(4,902,911)</u>	(478,939,448)

Net assets of governmental activities **\$ 37,933,915**

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, 2011

	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	\$ 118,636,168	\$ 18,789,365	\$ 37,930,907	\$ -	\$ 8,540,581	\$ 183,897,021
Intergovernmental	23,258,612	355,764	2,313,895	-	16,571,466	42,499,737
Permits and licenses	3,883,031	-	-	-	-	3,883,031
Fines and forfeitures	1,832,506	-	-	-	713,593	2,546,099
Interest	772,171	286,690	407,484	104,949	120,608	1,691,902
Service charges	19,849,176	-	-	-	12,172,619	32,021,795
Rental and use of property	618,864	-	-	-	-	618,864
Other revenues	3,991,428	1,750,000	49,334	-	4,047,677	9,838,439
Total revenues	172,841,956	21,181,819	40,701,620	104,949	42,166,544	276,996,888
Expenditures:						
Current:						
General government	42,975,385	-	7,385,970	-	62,640	50,423,995
Public safety	72,973,181	-	-	-	4,308,230	77,281,411
Judicial	15,641,906	-	-	-	8,159,727	23,801,633
Public works	7,425,824	-	65,926,889	-	5,885,023	79,237,736
Health and welfare	3,567,531	-	-	-	4,290,740	7,858,271
Economic development	-	-	-	-	1,473,821	1,473,821
Culture and recreation	13,921,189	-	16,428,154	-	10,044,691	40,394,034
Education	-	-	-	-	5,833,110	5,833,110
Capital outlay	-	26,211,084	14,416,139	10,255,984	2,450,429	12,706,413
Debt service	-	26,211,084	104,157,152	10,255,984	42,508,411	40,627,223
Total expenditures	156,505,016	52,621,084	104,157,152	10,255,984	42,508,411	339,637,647
Excess (deficiency) of revenues over (under) expenditures	16,336,940	(5,029,265)	(63,455,532)	(10,151,035)	(341,867)	(62,640,759)
Other financing sources (uses):						
Capital lease proceeds	-	-	-	-	632,831	632,831
Transfers in	885,872	5,058,750	39,745,966	8,811,738	15,024,823	69,527,149
Transfers out	(17,470,734)	(1,007,157)	(42,745,966)	-	(15,250,255)	(76,474,112)
Proceeds from sale of capital assets	531	-	-	-	69,993	70,524
Total other financing sources (uses)	(16,584,331)	4,051,593	(3,000,000)	8,811,738	477,392	(6,243,608)
Fund balances at beginning of year	(247,391)	(977,672)	(66,455,532)	(1,339,297)	135,525	(68,884,367)
Net change in fund balances	52,596,024	20,672,652	156,615,316	28,344,172	34,704,986	292,933,150
Fund balances at end of year	\$ 52,348,633	\$ 19,694,980	\$ 90,159,784	\$ 27,004,875	\$ 34,840,511	\$ 224,048,783

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, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ (68,884,367)**

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	\$ 13,902,974	
Depreciation expense	<u>(12,447,198)</u>	1,455,776

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	\$ 1,635,808	
Accumulated depreciation	<u>(1,182,266)</u>	
Net book value	453,542	
Proceeds	<u>(70,524)</u>	
Loss on disposal	383,018	
Difference of proceeds and loss on sale		(453,542)

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	(515,536)
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Other revenue which does not provide current resources	1,071,060
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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.	18,910,800
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Other financing source (use) which does not provide current resources or current uses:

Capital lease proceeds	(632,831)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.	146,528
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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	\$ 134,286	
Deferred refunding costs and amortization of premium	<u>894,690</u>	1,028,976

To record internal service fund transfers.	4,624,860
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The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue of the internal service funds are reported with governmental activities.	11,031
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Elimination of indirect income between governmental funds and the enterprise funds.	(2,853,044)
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The increase of governmental expenditures to avoid the doubling up of net loss from the internal service funds.	(4,702,787)
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Change in net assets of governmental activities	<u><u>\$ (50,793,076)</u></u>
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See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2011

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Property and local option sales taxes	\$ 113,083,000	\$ 111,333,000	\$ 118,636,168	\$ 7,303,168
Intergovernmental	19,396,032	21,271,032	23,258,612	1,987,580
Permits and licenses	3,819,850	3,819,850	3,883,031	63,181
Fines and forfeitures	2,270,500	2,270,500	1,832,506	(437,994)
Interest	597,000	597,000	772,171	175,171
Service charges	16,343,050	16,342,950	19,849,176	3,506,226
Rental and use of property	595,000	595,000	618,864	23,864
Other revenues	3,844,522	3,727,152	3,991,428	264,276
Total revenues	159,948,954	159,956,484	172,841,956	12,885,472
EXPENDITURES				
Current:				
General Government:				
County Administrator	861,020	767,220	744,842	22,378
Deputy County Administrator	21,355	20,355	18,369	1,986
Assistant Administrator for Finance	460,424	548,157	474,837	73,320
Assistant Administrator for General Services	345,959	460,715	452,957	7,758
Assistant Administrator for Human Services	459,215	345,959	338,249	7,710
Assessor	3,539,457	3,629,099	3,530,039	99,060
Auditor	1,968,183	1,968,204	1,840,118	128,086
Board of Elections & Voter Registration	1,411,953	1,474,715	1,305,588	169,127
Budget	666,244	596,244	584,766	11,478
Capital Projects and Facilities Management	12,567,518	12,710,768	11,825,052	885,716
Community Services	544,206	520,680	410,504	110,176
County Council	1,089,582	1,039,582	1,038,052	1,530
Delinquent Tax	1,141,905	1,057,748	982,072	75,676
Finance	1,024,911	1,010,911	998,166	12,745
Human Resources	1,491,323	1,328,874	1,128,978	199,896
Internal Auditor	211,887	211,887	211,117	770
Legal	1,020,690	1,020,690	1,003,405	17,285
Legislative Delegation	178,207	178,207	158,728	19,479
Nondepartmental	(1,148,095)	807,273	805,526	1,747
Procurement	857,950	850,690	794,821	55,869
Register Mesne Conveyance	1,822,881	1,829,939	1,674,791	155,148
Safety & Risk Management	2,014,038	1,869,038	1,735,858	133,180
Technology Services	8,928,184	9,412,799	7,964,398	1,448,401
Treasurer	1,596,685	1,599,603	1,541,928	57,675
Zoning / Planning	1,504,484	1,659,869	1,412,224	247,645
Total general government	44,580,166	46,919,226	42,975,385	3,943,841

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Building Inspections	\$ 1,371,412	\$ 1,298,316	\$ 1,217,699	\$ 80,617
Consolidated Dispatch	5,305,294	5,367,523	4,944,730	422,793
Emergency Management	618,135	597,635	595,817	1,818
Emergency Medical Services	9,933,329	9,889,769	9,776,121	113,648
Sheriff	56,068,293	57,090,419	56,438,814	651,605
Total public safety	73,296,463	74,243,662	72,973,181	1,270,481
Judicial:				
Clerk of Court	3,353,451	3,353,658	3,030,759	322,899
Coroner	1,043,010	1,099,292	1,085,561	13,731
Magistrates	4,572,326	4,551,915	4,428,324	123,591
Master-In-Equity	568,283	572,083	559,872	12,211
Probate Court	1,963,221	1,967,146	1,925,370	41,776
Solicitor	4,983,594	4,763,728	4,612,020	151,708
Total judicial	16,483,885	16,307,822	15,641,906	665,916
Public Works:				
Transportation Development	359,684	311,080	362,992	(51,912)
Public Works Department	7,248,463	7,292,182	7,062,832	229,350
Total public works	7,608,147	7,603,262	7,425,824	177,438
Health and Welfare:				
Indigent Care	1,387,718	1,389,718	1,389,220	498
Public Works - Mosquito Abatement	1,658,462	1,710,100	1,626,218	83,882
State Agencies	329,859	304,859	274,909	29,950
Veterans Affairs	278,560	278,560	277,184	1,376
Total health and welfare	3,654,599	3,683,237	3,567,531	115,706
Culture and Recreation:				
Charleston County Library	13,674,355	13,921,189	13,921,189	-
Total culture and recreation	13,674,355	13,921,189	13,921,189	-
Total expenditures	159,297,615	162,678,398	156,505,016	6,173,382
Excess (deficiency) of revenues over (under) expenditures	651,339	(2,721,914)	16,336,940	19,058,854

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 438,576	\$ 431,046	\$ 885,872	\$ 454,826
Transfers out	(9,686,452)	(17,553,802)	(17,470,734)	83,068
Proceeds from sale of capital assets	2,500	2,500	531	(1,969)
Total other financing sources and (uses)	<u>(9,245,376)</u>	<u>(17,120,256)</u>	<u>(16,584,331)</u>	<u>535,925</u>
Net change in fund balance	(8,594,037)	(19,842,170)	(247,391)	19,594,779
Fund balance at beginning of year	<u>52,596,024</u>	<u>52,596,024</u>	<u>52,596,024</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 44,001,987</u></u>	<u><u>\$ 32,753,854</u></u>	<u><u>\$ 52,348,633</u></u>	<u><u>\$ 19,594,779</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

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	\$ 269,029	\$ 272,829	\$ -
Pooled cash and cash equivalents	-	3,630,434	9,913,619	13,544,053	21,960,456
Restricted cash - current portion	1,611,385	-	-	1,611,385	-
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	20,166,610	40,420	1,761,380	21,968,410	251,457
Note receivable - current portion	67,856	-	-	67,856	-
Due from other funds	-	-	-	-	643,974
Inventories	-	-	-	-	352,316
Total current assets	21,846,551	3,673,954	11,944,028	37,464,533	23,333,203
Noncurrent assets:					
Restricted cash and cash equivalents	51,340,204	-	-	51,340,204	-
	51,340,204	-	-	51,340,204	-
Notes receivable - non-current portion	148,540	-	-	148,540	-
Deferred issuance costs	94,005	56,166	41,806	191,977	-
Capital assets:					
Land	1,600,610	2,350,320	-	3,950,930	-
Buildings	3,654,455	11,859,212	9,554,391	25,068,058	1,695,683
Improvements other than buildings	16,529,449	-	270,255	16,799,704	-
Machinery and equipment	15,438,933	630,204	2,217,166	18,286,303	26,592,149
Construction in progress	28,355	1,414,156	-	1,442,511	-
Less accumulated depreciation	(13,087,008)	(4,265,992)	(4,473,463)	(21,826,463)	(19,374,739)
Total capital assets (net of accumulated depreciation)	24,164,794	11,987,900	7,568,349	43,721,043	8,913,093
Total noncurrent assets	75,747,543	12,044,066	7,610,155	95,401,764	8,913,093
Total assets	\$ 97,594,094	\$ 15,718,020	\$ 19,554,183	\$ 132,866,297	\$ 32,246,296

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

<u>LIABILITIES</u>	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Environmental Management</u>	<u>Parking Garages</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>	
Current liabilities:					
Accounts payable	\$ 23,888,238	\$ 486,912	\$ 229,335	\$ 24,604,485	\$ 3,970,623
Accrued payroll and fringe benefits	195,156	32,206	255,196	482,558	129,516
Compensated absences - current	91,578	742	109,925	202,245	18,258
Intergovernmental payable	3,435	1,163	3,065,440	3,070,038	212,973
Due to other funds	1,214,050	-	-	1,214,050	-
Unearned revenue	2,115	-	-	2,115	-
Accrued interest payable	83,417	14,678	12,114	110,209	6,581
Note payable - current	-	-	-	-	67,856
Lease payable - current	-	-	-	-	255,063
Certificates of participation - current	-	366,530	276,184	642,714	-
Revenue bonds - current restricted	1,611,385	-	-	1,611,385	-
Accrual for landfill closure - current	297,000	-	-	297,000	-
Total current liabilities	27,386,374	902,231	3,948,194	32,236,799	4,660,870
Noncurrent liabilities:					
OPEB liability	-	-	-	-	13,833,426
Accrual for landfill closure	4,650,000	-	-	4,650,000	-
Compensated absences	392,366	64,984	386,201	843,551	387,079
Lease payable	-	-	-	-	271,763
Note payable	-	-	-	-	148,540
Certificates of participation (net of unamortized discounts and deferred amount on refunding)	-	3,131,512	2,478,030	5,609,542	-
Revenue bonds (net of unamortized discounts) - restricted	3,232,288	-	-	3,232,288	-
Total noncurrent liabilities	8,274,654	3,196,496	2,864,231	14,335,381	14,640,808
Total liabilities	35,661,028	4,098,727	6,812,425	46,572,180	19,301,678
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	19,321,121	8,489,858	4,814,135	32,625,114	8,169,871
Restricted for construction	543,333	-	-	543,333	-
Restricted for environmental trust	45,008,031	-	-	45,008,031	-
Restricted for debt service	2,556,552	-	-	2,556,552	-
Unrestricted	(5,495,971)	3,129,435	7,927,623	5,561,087	4,774,747
Total net assets	\$ 61,933,066	\$ 11,619,293	\$ 12,741,758	\$ 86,294,117	\$ 12,944,618
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(1,916,732)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				25,501,481	
				<u>\$ 109,878,866</u>	

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 1,284,887	\$ 2,807,563	\$ 10,560,937	\$ 14,653,387	\$ 39,611,375
User fees	23,438,036	-	-	23,438,036	-
Sale of recyclables	1,671,838	-	-	1,671,838	-
Other revenues	698,121	-	5,804	703,925	-
Total operating revenues	27,092,882	2,807,563	10,566,741	40,467,186	39,611,375
Operating expenses:					
Personnel services	5,372,606	890,639	6,999,959	13,263,204	3,442,615
Contractual services	7,855,937	213,049	1,137,975	9,206,961	5,061,144
Materials and supplies	1,296,718	92,229	670,534	2,059,481	7,324,486
Utilities	144,540	161,062	998,573	1,304,175	1,176,456
Repairs and maintenance	22,771	19,101	1,438,558	1,480,430	260,981
Rental expenses	483,594	-	246,918	730,512	23,449
Vehicle fleet charges	2,611,419	6,591	36,575	2,654,585	102,420
Employee benefits	-	-	-	-	23,075,509
Other expenses	1,045,468	31,502	3,376,749	4,453,719	1,210,466
Depreciation and amortization	2,367,303	330,160	494,502	3,191,965	2,834,045
Landfill closure	297,000	-	-	297,000	-
Total operating expenses	21,497,356	1,744,333	15,400,343	38,642,032	44,511,571
Operating income (loss)	5,595,526	1,063,230	(4,833,602)	1,825,154	(4,900,196)
Nonoperating revenues (expenses):					
Interest income	13,441	20,057	51,805	85,303	64,971
Interest expense	(326,616)	(209,352)	(215,402)	(751,370)	(64,068)
Intergovernmental revenues	163,221	-	605,096	768,317	-
Gain (loss) on disposal of capital assets	18,643	-	-	18,643	184,998
Total nonoperating revenues (expenses)	(131,311)	(189,295)	441,499	120,893	185,901
Income (loss) before transfers	5,464,215	873,935	(4,392,103)	1,946,047	(4,714,295)
Transfers out	-	(2,019,998)	-	(2,019,998)	(265,948)
Transfers in	6,499	-	4,335,602	4,342,101	4,890,808
Change in net assets	5,470,714	(1,146,063)	(56,501)	4,268,150	(89,435)
Total net assets - beginning	56,462,352	12,765,356	12,798,259		13,034,053
Total net assets - ending	\$ 61,933,066	\$ 11,619,293	\$ 12,741,758		\$ 12,944,618
Adjustment to reflect the elimination of indirect costs charged by governmental funds				2,807,922	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				22,561	
Change in net assets of business-type activities				\$ 7,098,633	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	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	\$ 23,364,676	\$ 2,786,494	\$ 10,877,869	\$ 37,029,039	\$ 272,861
Cash receipts from interfund services provided	-	-	-	-	39,151,701
Cash payments to suppliers for goods and services	9,966,797	(191,173)	(6,527,541)	3,248,083	(35,122,547)
Cash payments to employees for services	(5,502,490)	(877,117)	(7,115,569)	(13,495,176)	(3,380,374)
Net cash (used in) provided by operating activities	27,828,983	1,718,204	(2,765,241)	26,781,946	921,641
Cash flows from noncapital financing activities:					
Transfers in	6,499	-	4,335,602	4,342,101	4,890,808
Transfers (out)	-	(2,019,998)	-	(2,019,998)	(265,948)
Interfund advances (repayments)	(19,985,693)	-	-	(19,985,693)	-
Intergovernmental receipt	156,683	-	605,096	761,779	-
Net cash provided by noncapital financing activities	(19,822,511)	(2,019,998)	4,940,698	(16,901,811)	4,624,860
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(1,530,467)	(673,359)	(555,764)	(2,759,590)	(266,236)
Interest paid	(352,532)	(203,069)	(167,605)	(723,206)	(66,011)
Proceeds from capital lease	-	-	-	-	83,282
Interfund loan principal payment received	63,910	-	-	63,910	(63,910)
Proceeds from sale of capital assets	48,792	-	-	48,792	301,761
Acquisition and construction of capital assets	(1,506,791)	(1,050,928)	(32,626)	(2,590,345)	(1,929,066)
Net cash used in capital and related financing activities	(3,277,088)	(1,927,356)	(755,995)	(5,960,439)	(1,940,180)
Cash flows from investing activities:					
Interest received	15,384	20,057	51,805	87,246	64,971
Net cash provided by investing activities	15,384	20,057	51,805	87,246	64,971
Net increase (decrease) in cash and cash equivalents	4,744,768	(2,209,093)	1,471,267	4,006,942	3,671,292
Cash and cash equivalents at beginning of year	48,207,521	5,842,627	8,711,381	62,761,529	18,414,164
Cash and cash equivalents at end of year	\$ 52,952,289	\$ 3,633,534	\$ 10,182,648	\$ 66,768,471	\$ 22,085,456
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 700	\$ 3,100	\$ 269,029	\$ 272,829	\$ -
Pooled cash and cash equivalents	-	3,630,434	9,913,619	13,544,053	21,960,456
Restricted cash and cash equivalents	52,951,589	-	-	52,951,589	-
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 52,952,289	\$ 3,633,534	\$ 10,182,648	\$ 66,768,471	\$ 22,085,456

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 5,595,526	\$ 1,063,230	\$ (4,833,602)	\$ 1,825,154	\$ (4,900,196)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,367,303	330,160	494,502	3,191,965	2,834,045
Provision for landfill closure	297,000	-	-	297,000	-
Provision for uncollectible accounts	(299,134)	-	-	(299,134)	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	(3,430,647)	(21,069)	311,128	(3,140,588)	(186,813)
(Increase) decrease in inventories	-	-	-	-	(60,854)
Increase (decrease) in accounts payable	23,130,244	332,361	1,378,341	24,840,946	3,173,218
Increase (decrease) in accrued payroll	(129,884)	13,522	(115,610)	(231,972)	62,241
Decrease in deferred revenue	1,575	-	-	1,575	-
Increase in accrual for landfill closure	297,000	-	-	297,000	-
Total adjustments	22,233,457	654,974	2,068,361	24,956,792	5,821,837
Net cash provided by (used in) operating activities	\$ 27,828,983	\$ 1,718,204	\$ (2,765,241)	\$ 26,781,946	\$ 921,641

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2011

ASSETS

Non-pooled cash and cash equivalents	\$ 32,482,212
Pooled cash and cash equivalents	19,565,152
Pooled investments	<u>32,640,405</u>
Total assets	\$ <u>84,687,769</u>

LIABILITIES

Due to component units	\$ 609,333
Intergovernmental payable	53,411,761
Due to third parties	<u>30,666,675</u>
Total liabilities	\$ <u>84,687,769</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2011

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
<u>ASSETS</u>				
Non-pooled cash and cash equivalents	\$ 2,846,319	\$ 27,220,618	\$ 13,470	\$ 7,245,363
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	88,044	15,748,665	160,553	5,194,785
Due from primary government	-	120,981	1,381	79,975
Inventories	35,483	526,080	-	62,249
Prepaid items and deposits	91,176	141,075	-	-
Deferred issuance costs	-	-	-	179,878
Other noncurrent assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	3,414,641	-	1,724,666
Capital assets:				
Land and easements - nondepreciable	-	73,690,060	66,161	544,230
Construction in progress - nondepreciable	-	455,746	-	1,281,939
Artwork and other - nondepreciable	11,000	-	-	-
Buildings	-	45,384,961	183,786	1,532,852
Improvements other than buildings	-	19,038,859	-	46,964
Machinery and equipment	2,744,822	6,740,978	370,933	7,024,609
Infrastructure	-	4,864,816	-	37,384,653
Library materials	22,339,056	-	-	-
Accumulated depreciation	(21,624,433)	(34,462,386)	(538,418)	(15,984,688)
Total assets	6,531,467	162,885,094	257,866	46,317,475
<u>LIABILITIES</u>				
Accounts payable	530,345	1,086,242	-	301,097
Accrued payroll and fringe benefits	135,419	175,916	-	73,714
Intergovernmental payable	-	-	-	-
Interest payable	-	217,716	-	35,925
Unearned revenue	18,528	15,365,998	141,857	4,690,008
Noncurrent liabilities:				
Due within one year	36,430	2,995,185	-	1,017,718
Due in more than one year	980,551	25,488,711	-	8,481,291
Total liabilities	1,701,273	45,329,768	141,857	14,599,753
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	3,470,445	89,740,039	82,462	24,179,478
Restricted for:				
Debt service	-	11,989,189	-	1,779,184
Capital improvement program	-	4,158,155	-	-
Donors	27,310	-	-	-
Unrestricted	1,332,439	11,667,943	33,547	5,759,060
Total net assets	\$ 4,830,194	\$ 117,555,326	\$ 116,009	\$ 31,717,722

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, 2010	Totals
\$ 518,747	\$ 591,487	\$ 1,131,645	\$ 945,718	\$ 414,893	\$ 40,928,260
-	-	3,006,777	72,403	-	3,079,180
922,236	1,050,637	9,946,392	4,193,107	-	37,304,419
8,495	54,756	245,743	98,002	-	609,333
-	-	-	-	-	623,812
-	18,355	107,669	59,792	21,162	439,229
-	-	28,068	46,727	-	254,673
-	40,000	-	-	-	40,000
-	-	80,684	1,298,846	-	6,518,837
71,068	519,000	316,723	658,873	87,679	75,953,794
-	-	-	428,028	-	2,165,713
-	-	-	-	-	11,000
481,541	5,410,487	5,779,768	1,871,832	311,761	60,956,988
-	-	-	-	34,747	19,120,570
890,381	1,356,769	8,030,221	3,783,669	1,928,042	32,870,424
-	-	-	-	-	42,249,469
-	-	-	-	-	22,339,056
(1,174,317)	(3,380,259)	(5,311,905)	(2,200,353)	(1,551,763)	(86,228,522)
1,718,151	5,661,232	23,361,785	11,256,644	1,246,521	259,236,235
-	42,992	154,183	96,909	3,707	2,215,475
-	62,424	88,051	102,927	-	638,451
16,681	2,964	-	-	-	19,645
-	1,197	117,482	27,685	-	400,005
918,810	1,143,822	9,731,976	3,818,610	50,000	35,879,609
-	215,768	1,149,146	434,157	-	5,848,404
-	393,400	5,302,560	3,133,018	-	43,779,531
935,491	1,862,567	16,543,398	7,613,306	53,707	88,781,120
268,673	3,371,912	3,175,242	2,828,899	-	127,117,150
-	256	248,313	374,677	-	14,391,619
-	-	-	85,119	-	4,243,274
-	-	-	-	-	27,310
513,987	426,497	3,394,832	354,643	1,192,814	24,675,762
\$ 782,660	\$ 3,798,665	\$ 6,818,387	\$ 3,643,338	\$ 1,192,814	\$ 170,455,115

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2011

	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
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 15,150,259	\$ 651,819	\$ 14,136,367	\$ 389,153	\$ 37,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,080
Charleston County PRC													
Governmental activities:													
General government	13,096,230	-	-	10,720,725	-	(2,375,505)	-	-	-	-	-	-	(2,375,505)
Culture and recreation	3,031,005	806,803	-	-	-	(2,224,202)	-	-	-	-	-	-	(2,224,202)
Planning and development	431,620	-	-	-	-	(431,620)	-	-	-	-	-	-	(431,620)
Interest and fiscal charges	567,640	-	-	-	-	(567,640)	-	-	-	-	-	-	(567,640)
Total governmental activities	17,126,495	806,803	-	10,720,725	-	(5,598,967)	-	-	-	-	-	-	(6,599,567)
Business-type activities:													
Park operations	13,313,733	12,088,947	-	-	-	(1,224,766)	-	-	-	-	-	-	(1,224,766)
Total Charleston County PRC	30,440,228	12,896,750	-	10,720,725	-	(6,823,753)	-	-	-	-	-	-	(6,823,753)
Cooper River Park & Playground													
Governmental activities:													
General government	13,015	-	-	-	-	-	(13,015)	-	-	-	-	-	(13,015)
Culture and recreation	206,873	-	-	-	-	-	(206,873)	-	-	-	-	-	(206,873)
Total governmental activities	219,888	-	-	-	-	-	(219,888)	-	-	-	-	-	(219,888)
James Island PSD													
Governmental activities:													
General government	778,817	-	-	-	-	-	-	(778,817)	-	-	-	-	(778,817)
Public safety	3,712,127	-	-	-	-	-	-	(3,712,127)	-	-	-	-	(3,712,127)
Health and welfare	1,885,060	-	-	-	-	-	-	(1,885,060)	-	-	-	-	(1,885,060)
Interest and fiscal charges	87,740	-	-	-	-	-	-	(87,740)	-	-	-	-	(87,740)
Total governmental activities	6,463,744	-	-	-	-	-	-	(6,463,744)	-	-	-	-	(6,463,744)
Business-type activities:													
Wastewater	4,519,850	4,697,263	-	-	-	-	-	167,413	-	-	-	-	167,413
Total James Island PSD	10,983,594	4,697,263	-	-	-	-	-	(6,296,331)	-	-	-	-	(6,296,331)
North Charleston District													
Governmental activities:													
General government	19,650	-	-	-	-	-	-	-	(19,650)	-	-	-	(19,650)
Public safety	944,224	-	-	-	-	-	-	-	(944,224)	-	-	-	(944,224)
Public works	345,830	-	-	-	-	-	-	-	(345,830)	-	-	-	(345,830)
Total governmental activities	1,309,704	-	-	-	-	-	-	-	(1,309,704)	-	-	-	(1,309,704)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2011

	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 Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Chas County Volunteer Rescue Squad Dec. 31, 2008	Total
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 1,169,954	\$ -	\$ 3,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,166,862)	\$ -	\$ -	\$ -	\$ (1,166,862)
Culture and recreation	563,796	461,260	-	-	-	-	-	-	(112,546)	-	-	-	(112,546)
Interest	6,027	-	-	-	-	-	-	-	(6,027)	-	-	-	(6,027)
Total governmental activities	1,739,767	461,260	-	-	-	-	-	-	(1,285,435)	-	-	-	(1,285,435)
Business-type activities:													
Family recreation	1,353,546	1,075,132	-	-	-	-	-	-	(278,514)	-	-	-	(278,514)
Total St. Andrew's Parish Parks & Playground Commission	3,093,433	1,526,392	-	-	-	-	-	-	(1,563,949)	-	-	-	(1,563,949)
St. John's Fire District													
Governmental activities:													
Public safety	10,436,696	-	-	-	-	-	-	-	-	(10,372,096)	-	-	(10,372,096)
St. Paul's Fire District													
Governmental activities:													
Public safety	5,038,479	-	-	-	-	-	-	-	-	-	(4,661,603)	-	(4,661,603)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	443,535	-	297,393	-	-	-	-	-	-	-	-	(146,142)	(146,142)
Total Component Units	\$ 77,115,816	\$ 49,771,216	\$ 14,435,862	\$ 11,651,354								\$ (31,255,386)	\$ (31,255,386)
General Revenues:													
Property taxes					15,714,621	164,513	6,378,176	1,011,385	1,382,505	10,366,724	4,434,211	-	39,454,144
Merchants inventory tax and manufacturer's depreciation					609,673	55,674	26,458	211,614	267,769	18,706	13,742	-	1,103,536
Franchise fees					-	-	-	46,539	-	-	-	-	46,539
Grants not restricted to specific program					2,103	-	-	-	-	-	-	-	2,103
Unrestricted investment earnings				669	40,661	-	36,613	2,050	-	8,076	2,458	2,317	82,644
Gains on sale of capital assets				-	-	-	5,331	-	-	-	160,000	30,266	185,589
Fundraising and donations				-	-	-	-	-	-	-	77,638	77,638	77,638
Miscellaneous				-	827,572	12	78,859	-	-	16,890	6,030	1,506	630,869
Total general revenues				669	16,794,630	220,099	6,526,436	1,270,598	1,650,274	10,412,396	4,606,441	111,718	41,692,622
Change in net assets				37,749	9,970,877	211	229,105	(39,108)	86,326	40,300	44,838	(34,423)	10,335,676
Net assets - beginning, as restated				4,792,445	107,564,449	116,798	31,488,617	821,766	3,712,340	6,778,087	3,698,600	1,227,237	180,119,239
Net assets - end of year	\$ 4,830,194	\$ 117,666,326	\$ 117,666,326	\$ 4,830,194	\$ 117,666,326	\$ 116,009	\$ 31,717,722	\$ 782,660	\$ 3,798,666	\$ 6,818,387	\$ 3,643,338	\$ 1,192,814	\$ 170,455,116

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 remainders of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2011.

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, 2011**

Component units are reported in the County's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

Blended Component Units Reported with the Primary Government	Brief Description of Activities and Relationship to the County	Reporting Funds
<p>Charleston Public Facilities Corporation Administrative Office Address: 4045 Bridge View Drive Room 429 North Charleston, SC 29405 Telephone: (843) 958-4600</p> <p>Charleston Development Corporation Administrative Office Address: 4045 Bridge View Drive Suite B226 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>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>Debt Service Fund - Certificates of Participation Enterprise Fund - Parking Garages DAODAS</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, 2011

<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>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

<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>
<p>Discretely Presented Component Units</p> <p>St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194</p>	<p>Brief Description of Activities and Relationship to the County</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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

C. Basis of Presentation

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

Government-Wide Financial Statements

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 expansion, and radio system improvements.

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.

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, tipping fees at the landfill, and sale of recyclables.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 has been 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.

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

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

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

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

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

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

D. Measurement Focus

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

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

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2010, but which were levied to finance fiscal year 2012 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

F. Assets, Liabilities and Equity

1. Cash and Investments

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

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

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

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

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

2. Receivables and Payables

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

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

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

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

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

3. Inventories and Prepaid Items

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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, 2011.

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

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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

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of the other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

Fund Statements

The County has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement

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requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. Fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form, such as inventory or prepaid insurance, or because they are legally or contractually required to be maintained intact – such as a trust.

Restricted – Amounts that can be spent only for specific purposes because of County ordinances, state or federal laws, or externally imposed conditions by grantors or creditors – such as a millage adopted to pay the County's debt.

Committed – Amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., County Council). To be reported as committed, amounts cannot be used for any other purpose unless County Council takes the same highest level action to remove or change the constraint.

Assigned – Amounts the County intends to use for a specific purpose. Intent can be expressed by an official or body to which County Council delegates the authority.

Unassigned – All amounts not included in other spendable classifications.

The County permits funds to be expended in the following order: Committed, Assigned, and Unassigned.

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, 2011, \$22,251,532 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

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collections, and the activity of the programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS), vehicle maintenance, telephone service, and insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

12. Interfund Activity

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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B. Restatement of Prior Year Fund Equities

During the fiscal year ended June 30, 2011, two of the County's component units made adjustments that resulted in a restatement of beginning net assets.

	<u>Component Units</u>	
	<u>CCL</u>	<u>NCD</u>
Net assets, July 1, 2010	\$ 4,639,221	\$ 834,376
Restatements:		
Capital assets	-	(46,668)
Accumulated depreciation	<u>153,224</u>	<u>34,058</u>
Net assets, July 1, 2010 (as restated)	<u>\$ 4,792,445</u>	<u>\$ 821,766</u>

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, 2011, none of the County's bank balance of \$196,671,505 was exposed to custodial credit risk.

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, 2011, the County had no exposed custodial credit risk on its investments which total \$174,729,757. \$142,089,352 is reported on the Statement of Net Assets and \$32,640,405 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

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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 \$46,362,714 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$12,295,000 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$16,451,938 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note, \$15,000,000 has been invested in debt securities of the Federal Home Loan Bank Discount Note and \$84,620,104 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.

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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 \$174,729,757 as of June 30, 2011.

	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>Over 5 years</u>
Investments and Maturity:			
Certificates of Deposits	\$ 12,295,000	\$ -	\$ -
SCLGIP	46,362,715	-	-
Federal Home Loan Mortgage Discount Note	1,451,938	15,000,000	-
Federal Home Loan Bank Discount Note	-	15,000,000	-
Federal National Mortgage Assistance Pool	58,883,104	15,737,000	10,000,000
	<u>\$ 118,992,757</u>	<u>\$ 45,737,000</u>	<u>\$ 10,000,000</u>

Concentrations of Credit Risk

More than 5 percent of the County's investments are listed as follows:

Certificates of Deposits	7.04%
SCLGIP	26.53%
Federal Home Loan Mortgage Discount Note	9.42%
Federal Home Loan Bank Discount Note	8.58%
Federal National Mortgage Assistance Pool	<u>48.43%</u>
	100.00%

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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Custodial Credit Risk

As of June 30, 2011, the Charleston County Park and Recreation Commission's total bank balance was \$30,959,264. Of this amount, \$29,501,229 was insured under FDIC or collateralized by government investments held by the pledging financial institution's trust department or agent in the Commission's name. The uncollateralized balance of \$1,458,035 resulted from a timing difference of accounts collateralized in excess of FDIC. As of the date of the audit opinion letter, all deposits of the Commission were properly collateralized.

Credit Risk

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

Concentrations of Credit Risk

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

Custodial Credit Risk-Investments

None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2011, St. Paul's Fire District had \$72,403, James Island Public Service District had \$117,474 and St. John's Fire District had \$3,006,777 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	\$ 24,098
Cash on hand – component units	52,848
Carrying amount of deposits - primary government	196,522,407
Carrying amount of deposits - component units	47,394,249
Carrying amount of investments - primary government	174,729,757
Carrying amount of investments – component units	3,079,180
Cash with fiscal agent – primary government	<u>125,000</u>
 Total carrying amount of cash and investments	 <u>\$ 421,927,539</u>
 Non-pooled cash and cash equivalents	 \$ 78,293,379
Pooled cash and cash equivalents	104,921,959
Restricted cash and cash equivalents	60,778,264
Pooled investments	170,063,806
Non-pooled investments	7,745,131
Cash with fiscal agent	<u>125,000</u>
 Total carrying amount of cash and investments	 <u>\$ 421,927,539</u>

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B. Receivables

Receivables as of June 30, 2011, 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	\$ 114,655,829	\$ 18,824,091	\$ -	\$ 7,463,028
Delinquent property taxes	3,729,523	821,163	-	372,611
Accounts	12,082,335	-	36,175	856,000
Intergovernmental	15,580,086	-	17,456,159	6,194,870
Notes	-	-	-	106,729
Gross receivables	<u>146,047,773</u>	<u>19,645,254</u>	<u>17,492,334</u>	<u>14,993,238</u>
Less allowance for uncollectibles:				
Current property taxes	6,764,694	1,063,561	-	496,159
Delinquent property taxes	976,561	212,241	-	95,283
Accounts	9,132,707	-	-	175,697
Notes	-	-	-	106,729
Gross allowance	<u>16,873,962</u>	<u>1,275,802</u>	<u>-</u>	<u>873,868</u>
Net total receivable	<u>\$ 129,173,811</u>	<u>\$ 18,369,452</u>	<u>\$ 17,492,334</u>	<u>\$ 14,119,370</u>

	Proprietary		Totals
	Business-type Activities	Governmental Activities- Internal Service Funds	Primary Government
Receivables:			
Current property taxes	\$ -	\$ -	\$ 140,942,948
Delinquent property taxes	-	-	4,923,297
Accounts	26,259,865	129,354	39,363,729
Intergovernmental	1,023,424	122,103	40,376,642
Notes	-	-	106,729
Interest	6,581	-	6,581
Gross receivables	27,289,870	251,457	225,719,926
Less allowance for uncollectibles:			
Current property taxes	-	-	8,324,414
Delinquent property taxes	-	-	1,284,085
Accounts	5,321,460	-	14,629,864
Notes	-	-	106,729
Gross allowance	5,321,460	-	24,345,092
Net total receivable	\$ 21,968,410	\$ 251,457	\$ 201,374,834

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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	\$ 151,202	\$ 4,991,908	\$ 978,788
Delinquent property taxes	-	689,678	12,470	270,611	29,426
Accounts	87,641	153,703	-	268,194	-
Intergovernmental	<u>403</u>	<u>281,200</u>	<u>10,703</u>	<u>22,072</u>	<u>-</u>
Gross receivables	<u>88,044</u>	<u>16,703,755</u>	<u>174,375</u>	<u>5,552,785</u>	<u>1,008,214</u>
Less allowance for uncollectible:					
Current property taxes	-	880,223	9,345	301,511	67,830
Delinquent property taxes	-	74,867	4,477	16,489	18,148
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Gross allowance	<u>-</u>	<u>955,090</u>	<u>13,822</u>	<u>358,000</u>	<u>85,978</u>
Net total receivable	<u>\$ 88,044</u>	<u>\$ 15,748,665</u>	<u>\$ 160,553</u>	<u>\$ 5,194,785</u>	<u>\$ 922,236</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,070,500	\$ 10,097,506	\$ 4,231,147	\$ 37,100,225
Delinquent property taxes	65,537	250,973	366,717	1,685,412
Accounts	-	14,112	537	524,187
Intergovernmental	<u>-</u>	<u>-</u>	<u>130,374</u>	<u>444,752</u>
Gross receivables	<u>1,136,037</u>	<u>10,362,591</u>	<u>4,728,775</u>	<u>39,754,576</u>
Less allowance for uncollectible:				
Current property taxes	70,974	365,530	412,537	2,107,950
Delinquent property taxes	14,426	50,669	123,131	302,207
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Gross allowance	<u>85,400</u>	<u>416,199</u>	<u>535,668</u>	<u>2,450,157</u>
Net total receivable	<u>\$ 1,050,637</u>	<u>\$ 9,946,392</u>	<u>\$ 4,193,107</u>	<u>\$ 37,304,419</u>

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During April 1999, 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, 2011, under these notes receivable:

Primary Government

<u>Year Ending June 30</u>	<u>Business-type Activities</u>
2012	\$ 80,001
2013	80,001
2014	80,001
Total minimum note payments	<u>240,003</u>
Less amount representing interest	(23,607)
Present value of minimum note payments	216,396
Less current portion	(67,856)
Long-term portion	<u>\$148,540</u>

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 at an initial cost of \$1,431,217 for equipment. 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.

Primary Government

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2012	\$ 375,207
2013	375,207
2014	375,207
Total minimum note payments	<u>1,125,621</u>
Less amount representing interest	(57,054)
Present value of minimum note payments	1,068,567
Less current portion	(346,926)
Long-term portion	<u>\$ 721,641</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2011, was as follows:

Governmental Activities:	<u>Balance July 1, 2010</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2011</u>
Capital assets not being depreciated:				
Land	\$ 16,807,789	\$ -	\$ (103,547)	\$ 16,704,242
Construction in progress	3,121,481	9,444,723	(301,833)	12,264,371
Infrastructure-easements, land	8,560,117	27,739	(30,461)	8,557,395
Total capital assets not being depreciated	<u>28,489,387</u>	<u>9,472,462</u>	<u>(435,841)</u>	<u>37,526,008</u>
Capital assets being depreciated:				
Buildings	303,183,365	-	-	303,183,365
Improvements other than buildings	2,166,637	-	-	2,166,637
Machinery and equipment	82,278,993	5,138,939	(3,312,681)	84,105,251
Infrastructure	36,405,965	1,522,373	(50,916)	37,877,422
Total capital assets being depreciated	<u>424,034,960</u>	<u>6,661,312</u>	<u>(3,363,597)</u>	<u>427,332,675</u>
Less accumulated depreciation:				
Buildings	(59,907,326)	(7,019,374)	-	(66,926,700)
Improvements other than buildings	(1,386,825)	(47,310)	-	(1,434,135)
Machinery and equipment	(54,738,934)	(6,546,519)	2,887,900	(58,397,553)
Infrastructure	(29,583,913)	(1,668,040)	39,500	(31,212,453)
Total accumulated depreciation	<u>(145,616,998)</u>	<u>(15,281,243)</u>	<u>2,927,400</u>	<u>(157,970,841)</u>
Total capital assets being depreciated, net	<u>278,417,962</u>	<u>(8,619,931)</u>	<u>(436,197)</u>	<u>269,361,834</u>
Governmental activities,				
Total capital assets, net	<u>\$ 306,907,349</u>	<u>\$ 852,531</u>	<u>\$ (872,038)</u>	<u>\$ 306,887,842</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

	<u>Balance as July 1, 2010</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2011</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 3,950,930	\$ -	\$ -	\$ 3,950,930
Construction in progress	<u>16,329,363</u>	<u>1,079,283</u>	<u>(15,966,135)</u>	<u>1,442,511</u>
Total capital assets not being depreciated	<u>20,280,293</u>	<u>1,079,283</u>	<u>(15,966,135)</u>	<u>5,393,441</u>
Capital assets being depreciated:				
Buildings	24,933,128	134,930	-	25,068,058
Improvements other than buildings	816,500	15,983,204	-	16,799,704
Machinery and equipment	<u>17,266,453</u>	<u>1,359,063</u>	<u>(339,213)</u>	<u>18,286,303</u>
Total capital assets being depreciated	<u>43,016,081</u>	<u>17,477,197</u>	<u>(339,213)</u>	<u>60,154,065</u>
Less accumulated depreciation:				
Buildings	(8,055,000)	(562,040)	-	(8,617,040)
Improvements other than buildings	(562,854)	(848,031)	-	(1,410,885)
Machinery and equipment	<u>(10,396,253)</u>	<u>(1,711,315)</u>	<u>309,030</u>	<u>(11,798,538)</u>
Total accumulated depreciation	<u>(19,014,107)</u>	<u>(3,121,386)</u>	<u>309,030</u>	<u>(21,826,463)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>24,001,974</u>	<u>14,355,811</u>	<u>(30,183)</u>	<u>38,327,602</u>
Total capital assets, net	<u>\$ 44,282,267</u>	<u>\$ 15,435,094</u>	<u>\$ (15,996,318)</u>	<u>\$ 43,721,043</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General government	\$ 7,470,339
Public safety	3,859,311
Judicial	1,409,988
Public works	1,772,596
Health and welfare	143,567
Economic Development	9,331
Culture and recreation	<u>616,111</u>
Total	<u>\$ 15,281,243</u>

Business-type Activities:

Environmental Management	\$ 2,332,018
Parking Garages	304,531
DAODAS	246,801
E-911 Communications	195,015
Radio Communications	<u>43,021</u>
Total	<u>\$ 3,121,386</u>

Component Units:

	Balance (as restated) July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 59,668,219	\$ 16,285,575	\$ -	\$ 75,953,794
Artwork	11,000	-	-	11,000
Construction in progress	<u>2,676,074</u>	<u>2,674,634</u>	<u>(3,184,995)</u>	<u>2,165,713</u>
Total capital assets not being depreciated	<u>62,355,293</u>	<u>18,960,209</u>	<u>(3,184,995)</u>	<u>78,130,507</u>
Capital assets being depreciated:				
Buildings	59,840,286	1,215,553	(98,851)	60,956,988
Improvements other than buildings	19,610,895	82,250	(572,575)	19,120,570
Machinery and equipment	30,454,175	4,462,391	(2,046,142)	32,870,424
Infrastructure	40,534,685	1,792,217	(77,433)	42,249,469
Library materials	<u>22,652,457</u>	<u>1,684,164</u>	<u>(1,997,565)</u>	<u>22,339,056</u>
Total capital assets being depreciated	<u>173,092,498</u>	<u>9,236,575</u>	<u>(4,792,566)</u>	<u>177,536,507</u>
Less accumulated depreciation	<u>(82,616,457)</u>	<u>(7,660,810)</u>	<u>4,048,745</u>	<u>(86,228,522)</u>
Total capital assets being depreciated, net	<u>90,476,041</u>	<u>1,575,765</u>	<u>(743,821)</u>	<u>91,307,985</u>
Component units				
Total capital assets, net	<u>\$ 152,831,334</u>	<u>\$ 20,535,974</u>	<u>\$ (3,928,816)</u>	<u>\$ 169,438,492</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

General government	\$ 2,526,898
Public safety	1,471,424
Culture and recreation	2,793,991
Health and welfare	94,047
Waste water	<u>774,450</u>
 Total	 <u>\$ 7,660,810</u>

Construction in progress in the Governmental Activities as of June 30, 2011, is composed of the following:

	Project <u>Authorization</u>	Expended to <u>June 30, 2011</u>	Commitments <u>Outstanding</u>	Required Future <u>Financing</u>
Primary government:				
Consolidated Dispatch Center	\$ 26,870,000	\$ 1,631,032	\$13,766,976	General obligation bonds
Property Tax Software	2,000,000	1,085,616	895,296	None
Law Enforcement Software	1,500,000	1,052,969	413,076	None
Cartograph Work order System	150,319	174,067	1,053	None
Detention Center Expansion	3,431,628	2,805,920	106,253	None
SCE&G Building	12,500,000	34,986	-	General obligation bonds
Senior Citizens Center	556,752	277,727	131,524	General obligation bonds
PSB Cooling Tower	395,000	248,921	142,287	None
Pictometry Change Analysis	52,460	13,115	39,345	None
Radio System	<u>12,100,000</u>	<u>4,940,018</u>	<u>6,274,025</u>	General obligation bonds
Total primary government	<u>\$ 59,556,159</u>	<u>\$ 12,264,371</u>	<u>\$ 21,769,835</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2011, the County has assets under capital lease with a total cost of \$7,387,329 and a net book value of \$2,910,051. 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, 2011

Construction in progress as of June 30, 2011, in the Business-type activities is composed of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2011</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Primary government:				
Parking Garages Renovations	\$ 5,659,744	\$ 1,414,156	\$ 1,144,919	None
Environmental Management Lined Landfill	<u>142,915</u>	<u>28,355</u>	<u>114,560</u>	None
Total primary government	<u>\$ 5,802,659</u>	<u>\$ 1,442,511</u>	<u>\$ 1,259,479</u>	
Component Unit:				
CCPRC				
Hwy 171 property	\$ -	\$ 5,750	\$ -	None
Wannamaker Phase III	440,000	110,785	-	None
W.O. Thomas Boat landing	28,000	11,880	-	None
McLeod Plantation	700,000	198,985	111,946	None
Manager's residence	185,000	1,084	-	None
West Ashley Phase I	200,000	92,931	88,654	None
Palmetto Islands bulkheads	40,000	15,215	3,145	None
James Island fishing dock	15,000	4,650	-	None
East Arctic property	<u>-</u>	<u>14,466</u>	<u>-</u>	None
Total CCPRC	<u>1,608,000</u>	<u>455,746</u>	<u>203,745</u>	
JIPSD				
Waste water upgrade	<u>1,991,684</u>	<u>1,281,939</u>	<u>709,745</u>	Impact fees & Revenue Bonds
Total JIPSD	<u>1,991,684</u>	<u>1,281,939</u>	<u>709,745</u>	
SPFD				
Station 1	1,652,979	39,510	643,000	None
Station 7	2,478,757	358,518	1,180,994	None
Cascade system	<u>122,411</u>	<u>30,000</u>	<u>92,000</u>	None
Total SPFD	<u>4,254,147</u>	<u>428,028</u>	<u>1,915,994</u>	
Total Component Units	<u>\$ 7,853,831</u>	<u>\$ 2,165,713</u>	<u>\$ 2,829,484</u>	

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2011, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	\$ 2,520,574	\$ 643,974
Non-major governmental funds	-	1,306,524
Major enterprise funds: Environmental Management	-	1,214,050
Internal service funds	643,974	-
Total	<u>\$ 3,164,548</u>	<u>\$ 3,164,548</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.

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer Out
Major governmental funds:		
General Fund	\$ 885,872	\$ (17,470,734)
Debt Service Fund	5,058,750	(1,007,157)
Transportation and Road Sales Tax	39,745,966	(42,745,966)
G.O.B. Capital Projects	8,811,738	-
Non-major governmental funds	15,024,823	(15,250,255)
Major business-type activities:		
Environmental Management	6,499	-
Parking Garage	-	(2,019,998)
Non-major business-type activities	4,335,602	-
Internal Service Funds	4,890,808	(265,948)
Total	<u>\$ 78,760,058</u>	<u>\$ (78,760,058)</u>

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

F. Leases

Operating Leases

In March 2008 the Charleston County Library entered into a new lease agreement for copiers. The lease agreement is for a sixty-month period commencing January 2008, with a minimum monthly charge of \$12,450, for a total minimum commitment of \$747,000 over the term of the lease. In addition to this lease the Library holds other verbal agreements with various parties for the rental of Library branches. These leases run on a month-to-month basis and are cancelable by either party. Rental expense associated with the copier and facilities leases for the year ended June 30, 2011, is \$194,845.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Future minimum lease payments under these non-cancelable operating leases are as follows:

Year Ending June 30	CCL
2012	\$ 149,400
2013	74,700
	<u>\$ 224,100</u>

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 \$4,947,000 reported as the accrual for landfill closure and post-closure at June 30, 2011, represents the estimated remaining cost reported of \$22,542,000 less \$17,595,000 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	\$ 514,200	\$ 5,758,678	\$ -
Bees Ferry:					
Ash storage facility	100%	929,018	311,500	1,240,518	-
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	12%	1,772,811	617,189	2,390,000	17,540,000
Bees Ferry C&D landfill	97%	<u>1,200,000</u>	<u>593,000</u>	<u>1,793,000</u>	<u>55,000</u>
Totals		<u>\$21,375,116</u>	<u>\$ 5,572,889</u>	<u>\$ 26,948,005</u>	<u>\$ 17,595,000</u>

These amounts are based on what it would cost to perform all closure and post closure care in fiscal year 2011. 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 207 in the statistical section of this report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SAPPPC	\$ -	\$ 300,000	\$ 300,000	\$ -
SPFD	-	1,000,000	1,000,000	-
	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2011.

Primary Government:	Balance July 1, 2010	Increase	Decrease	Balance June 30, 2011	Amounts Due in One Year
Governmental activities					
General obligation bonds	\$406,590,609	\$ -	\$ 11,633,400	\$ 394,957,209	\$ 13,780,839
Certificates of participation	41,756,721	-	6,511,151	35,245,570	3,663,071
Intergovernmental note payable	33,151,722	-	1,100,406	32,051,316	1,163,460
Capital lease payable	3,070,072	716,113	975,752	2,810,433	1,067,376
Compensated absences	9,994,780	333,613	424,221	9,904,172	424,221
OPEB	10,938,993	2,894,433	-	13,833,426	-
Total	<u>\$505,502,897</u>	<u>\$ 3,944,159</u>	<u>\$ 20,644,930</u>	<u>\$ 488,802,126</u>	<u>\$ 20,098,967</u>
Business-type activities					
Certificates of participation	\$ 7,421,883	\$ -	\$ 1,169,627	\$ 6,252,256	\$ 642,714
Revenue bonds	6,374,140	-	1,530,467	4,843,673	1,611,385
Accrual for landfill closure	4,650,000	297,000	-	4,947,000	297,000
Compensated absences	1,199,413	68,023	221,640	1,045,796	202,245
Total	<u>\$ 19,645,436</u>	<u>\$ 365,023</u>	<u>\$ 2,921,734</u>	<u>\$ 17,088,725</u>	<u>\$ 2,753,344</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, 2011

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 Bond's payable at June 30, 2011, 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 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	\$ 38,530,000
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	56,860,000
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	72,460,000
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	145,250,000
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	17,835,000
Subtotal		<u>\$ 424,515,000</u>	<u>380,935,000</u>
Less: Deferred refunding cost			(1,933,150)
Add: Premium			15,955,359
General obligation debt per statement of net assets			394,957,209
Less current portion, including deferred refunding cost and premium			(13,780,839)
Long-term portion outstanding			<u>\$ 381,176,370</u>

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

Primary government Certificates of Participation payable at June 30, 2011, 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 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	\$ 23,715,000
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.	19,945,000	18,010,000
Subtotal		<u>\$ 64,105,000</u>	41,725,000
Less: Deferred refunding cost			(1,475,276)
Add: Premium			1,248,102
Certificate of participation debt per statement of net assets			41,497,826
Less current portion, including deferred refunding cost and premium			<u>(4,305,785)</u>
Long-term portion outstanding			<u>\$ 37,192,041</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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	\$ 5,005,000
Subtotal		<u>\$ 14,525,000</u>	5,005,000
Less: Deferred refunding cost applicable to business-type activities			(236,622)
Add: Premium applicable to business-type activities			75,295
Revenue bond debt per statement of net assets			4,843,673
Less current portion, including deferred refunding cost and premium			<u>(1,611,385)</u>
Long-term portion outstanding			<u>\$ 3,232,288</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, 2011, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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	\$ 216,396
Subtotal		<u>\$ 791,600</u>	216,396
Less current portion			<u>(67,856)</u>
Debt per statement of net assets			<u>\$ 148,540</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2011

Annual requirements to amortize primary government notes payable outstanding at June 30, 2011, are as follows:

Year Ending June 30	Internal Service Fund	Principal	Interest
2012	\$ 80,001	\$ 67,856	\$ 12,145
2013	80,001	72,046	7,955
2014	80,001	76,494	3,507
Total	<u>\$ 240,003</u>	<u>\$ 216,396</u>	<u>\$ 23,607</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, 2011, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	1,453,933	1,546,067
2017-2021	15,000,000	8,618,990	6,381,010
2022-2026	15,000,000	11,388,001	3,611,999
2027-2028	6,000,000	5,521,057	478,943
Total	<u>\$ 51,000,000</u>	<u>\$ 32,051,316</u>	<u>\$ 18,948,684</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011, 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	\$ 946,027
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	13,579
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	314,206
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	455,157
Lease dated July 2010 payable to Ontario Investments, Inc. for the purchase of a new copier. Payable in five equal installments of \$13,116 through July 2014, includes principal and interest at 6.366 percent per annum.	56,974	45,070
Leases dated December 2010 to May 2011 payable to MB Financial Bank for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$74,383 through January 2015, includes principal and interest at 1.220 percent to 1.598 percent per annum.	575,857	509,568
<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	17,577
Leases dated November 2010 payable to Ontario Investments, Inc. for the purchase of new copiers. Payable in three annual installments of \$24,242 through December 2012, includes principal and interest from 2.221 percent to 4.298 percent per annum.	83,282	59,212
Lease dated September 2008-February 2009 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$250,598 through March 2013 and includes principal and interest at 7.285 to 10.994 percent per annum.	1,130,205	450,037
	<u>\$ 5,878,860</u>	<u>2,810,433</u>
Less current portion		<u>(1,067,376)</u>
Long-term portion outstanding		<u>\$ 1,743,057</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2011**

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 1,067,376	\$ 140,917	\$ 1,208,293
2013	1,001,201	71,043	1,072,244
2014	549,305	19,952	569,257
2015	<u>192,551</u>	<u>2,470</u>	<u>195,021</u>
Total	<u>\$ 2,810,433</u>	<u>\$ 234,382</u>	<u>\$ 3,044,815</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2011, 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	
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	380,935,000	169,930,545	41,725,000	10,285,856	5,005,000	502,250	608,383,651
Less amount in Business-type activities before discounts and deferred costs	-	-	(6,460,969)	(1,572,122)	(5,005,000)	(502,250)	(13,540,341)
Subtotal	380,935,000	169,930,545	35,264,031	8,713,734	-	-	594,843,310
Less discounts and deferred refunding costs	(1,933,150)	-	(1,103,665)	-	-	-	(3,036,815)
Add Premiums	15,955,359	-	1,085,204	-	-	-	17,040,563
Total debt- governmental activity	\$394,957,209	\$ 169,930,545	\$ 35,245,570	\$ 8,713,734	\$ -	\$ -	\$ 608,847,058

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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</u> <u>June 30</u>	<u>Certificates</u> <u>Of Participation</u>		<u>Revenue Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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	181,128	4,528	-	-	185,656
Subtotal	6,460,969	1,572,122	5,005,000	502,250	13,540,341
Less discounts and deferred					
refunding costs	(371,611)	-	(236,622)	-	(608,233)
Add Premiums	162,898	-	75,295	-	238,193
Total business-type activities debt	<u>\$ 6,252,256</u>	<u>\$ 1,572,122</u>	<u>\$ 4,843,673</u>	<u>\$ 502,250</u>	<u>\$ 13,170,301</u>

The 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, 2011.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011:

<u>Number of Issues</u>	<u>Current Amount Outstanding (in millions)</u>	<u>Original Issue Amount (in millions)</u>
4	\$189	\$287

The following is a summary of the changes in long-term obligations of the component units for the year ended June 30, 2011:

Component Units:	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>	<u>Amounts Due in One year</u>
Accrued compensated absences	\$ 3,248,567	\$ 1,023,319	\$ (729,235)	\$ 3,542,651	\$ 1,628,746
Net other post employment benefits	2,334,740	755,280	(16,776)	3,073,244	15,510
General obligation bonds	15,309,611	16,173,954	(2,047,643)	29,435,922	2,179,947
Capital lease obligations	9,083,623	626,789	(2,193,334)	7,517,078	1,337,650
Revenue bonds	5,985,680	717,520	(690,390)	6,012,810	681,008
Notes payable	<u>51,563</u>	<u>-</u>	<u>(5,333)</u>	<u>46,230</u>	<u>5,543</u>
Total	<u>\$ 36,013,784</u>	<u>\$ 19,296,862</u>	<u>\$ (5,682,711)</u>	<u>\$ 49,627,935</u>	<u>\$ 5,848,404</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Accrued compensated absences:						
CCL			\$ 948,431	\$ 483,804	\$ (415,254)	\$ 1,016,981
CCPRC			975,621	87,709	(53,145)	1,010,185
JIPSD			426,497	4,405	(24,691)	406,211
SAPPPC			36,597	27	(1,541)	35,083
SJFD			711,959	19,498	-	731,457
SPFD			<u>149,462</u>	<u>427,876</u>	<u>(234,604)</u>	<u>342,734</u>
Total accrued compensated absences			<u>3,248,567</u>	<u>1,023,319</u>	<u>(729,235)</u>	<u>3,542,651</u>
Net other post employment benefits:						
CCPRC			1,136,805	363,911	-	1,500,716
JIPSD			1,077,601	364,116	-	1,441,717
SPFD			<u>120,334</u>	<u>27,253</u>	<u>(16,776)</u>	<u>130,811</u>
Total net other post employment benefits			<u>2,334,740</u>	<u>755,280</u>	<u>(16,776)</u>	<u>3,073,244</u>
General obligation bonds:						
CCPRC	2012 - 2021	2.00% - 4.00%	14,930,000	12,873,954	(1,830,959)	25,972,995
JIPSD	2012 - 2037	5.00% - 5.50%	379,611	-	(10,314)	369,297
SPFD	2012 - 2025	3.45% - 3.59%	<u>-</u>	<u>3,300,000</u>	<u>(206,370)</u>	<u>3,093,630</u>
Total general obligation bonds			<u>15,309,611</u>	<u>16,173,954</u>	<u>(2,047,643)</u>	<u>29,435,922</u>
Capital lease obligations:						
CCPRC	2011	2.05% - 4.41%	481,051	-	(481,051)	-
JIPSD	2012 - 2018	4.07% - 6.88%	1,996,486	-	(441,046)	1,555,440
SAPPPC	2012 - 2014	2.99% - 3.75%	166,739	165,000	(90,350)	241,389
SJFD	2012 - 2021	4.36% - 5.593%	6,123,435	461,789	(864,975)	5,720,249
SPFD	2011	4.67% - 4.86%	<u>315,912</u>	<u>-</u>	<u>(315,912)</u>	<u>-</u>
Total capital lease obligations			<u>9,083,623</u>	<u>626,789</u>	<u>(2,193,334)</u>	<u>7,517,078</u>
Revenue Bonds:						
SAPPPC	2012 - 2019	3.41% - 3.95%	405,682	-	(119,216)	286,466
JIPSD	2012 - 2036	2.00% - 5.75%	6,042,895	717,520	(629,646)	6,130,769
Less deferred refunding costs			<u>(462,897)</u>	<u>-</u>	<u>58,472</u>	<u>(404,425)</u>
Total revenue bonds			<u>5,985,680</u>	<u>717,520</u>	<u>(690,390)</u>	<u>6,012,810</u>
Notes payable						
SAPPPC	2012 - 2019	3.89% - 3.99%	<u>51,563</u>	<u>-</u>	<u>(5,333)</u>	<u>46,230</u>
Total component units long-term obligations			<u>\$36,013,784</u>	<u>\$ 19,296,862</u>	<u>\$ (5,682,711)</u>	<u>\$ 49,627,935</u>

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

General Obligation Bonds:

<u>Year Ending June 30</u>	<u>SPFD</u>	<u>CCPRC</u>	<u>JIPSD</u>	<u>Total Component Units</u>
2012	\$ 291,193	\$ 2,682,638	\$ 30,902	\$ 3,004,733
2013	291,194	3,577,141	30,902	3,899,237
2014	291,193	3,773,291	30,902	4,095,386
2015	291,193	4,408,653	30,902	4,730,748
2016	291,193	2,098,423	30,902	2,420,518
2017-2021	1,455,968	13,269,770	152,548	14,878,286
2022-2026	1,019,831	-	113,130	1,132,961
2027-2031	-	-	113,130	113,130
2032-2036	-	-	113,130	113,130
2037	-	-	12,441	12,441
Total	3,931,765	29,809,916	658,889	34,400,570
Less interest and plus unamortized premium included above	<u>(838,135)</u>	<u>(3,836,921)</u>	<u>(289,592)</u>	<u>(4,964,648)</u>
Debt per statement of net assets	<u>\$ 3,093,630</u>	<u>\$ 25,972,995</u>	<u>\$ 369,297</u>	<u>\$ 29,435,922</u>

Future minimum capital lease payments:

<u>Year Ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	<u>SJFD</u>	<u>Total Component Units</u>
2012	\$ 456,972	\$ 103,841	\$ 1,091,730	\$ 1,652,543
2013	394,783	81,177	850,764	1,326,724
2014	288,392	48,115	850,764	1,187,271
2015	147,284	19,387	850,764	1,017,435
2016	147,284	-	734,198	881,482
2017-2021	<u>291,175</u>	<u>-</u>	<u>2,646,413</u>	<u>2,937,588</u>
Future minimum capital lease payments	1,725,890	252,520	7,024,633	9,003,043
Less amount representing interest	<u>(170,450)</u>	<u>(11,131)</u>	<u>(1,304,384)</u>	<u>(1,485,965)</u>
Debt per statement of net assets	<u>\$ 1,555,440</u>	<u>\$ 241,389</u>	<u>\$ 5,720,249</u>	<u>\$ 7,517,078</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Revenue Bonds:

<u>Year ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	Total Component Units
2012	\$ 923,776	\$ 87,383	\$ 1,011,159
2013	924,376	71,763	996,139
2014	919,176	60,605	979,781
2015	923,115	60,950	984,065
2016	914,272	29,958	944,230
2017-2021	1,959,403	-	1,959,403
2022-2026	548,501	-	548,501
2027-2031	490,111	-	490,111
2032-2036	<u>156,204</u>	<u>-</u>	<u>156,204</u>
Total	7,758,934	310,659	8,069,593
Less interest and deferred refunding costs included above	<u>(2,032,590)</u>	<u>(24,193)</u>	<u>(2,056,783)</u>
Debt per statement of net assets	<u>\$ 5,726,344</u>	<u>\$ 286,466</u>	<u>\$ 6,012,810</u>

Notes Payable:

<u>Year ending June 30</u>	<u>SAPPPC</u>
2012	\$ 7,274
2013	7,271
2014	7,271
2015	7,271
2016	7,271
2017-2020	<u>16,961</u>
Total	53,319
Less interest included above	<u>(7,089)</u>
Debt per statement of net assets	<u>\$ 46,230</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary government:		
General Obligation Bonds:		
Series 1994	\$ 5,830,000	
Series 1999	14,155,000	
Series 2001	<u>3,700,000</u>	
Total General Obligation Bonds	<u>23,685,000</u>	
Certificates of Participation:		
Series 1995	<u>35,743,147</u>	<u>\$ 8,426,853</u>
Total Certificates of Participation	<u>35,743,147</u>	<u>8,426,853</u>
Revenue Bonds:		
Solid Waste User Fee Revenue Bonds		
Series 1994	<u>-</u>	<u>5,360,000</u>
Total Revenue Bonds	<u>-</u>	<u>5,360,000</u>
Total primary government	<u>\$ 59,428,147</u>	<u>\$ 13,786,853</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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		\$ 3,118,892,338
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$ 3,145,835,935</u>
Debt limitation - 8 percent of total assessed value		\$ 251,666,874
Total bonded debt:		
General Obligation Bonds	\$380,935,000	
Less:		
Bonds issued pursuant to referendum:		
Series 2004 Refunding G.O. Bond	\$(5,000,000)	
Series 2007 G.O. Bond Transportation Sales tax	(145,250,000)	
Series 2006 G.O. Bond Transportation Sales tax	<u>(56,860,000)</u>	
	(207,110,000)	
Total debt subject to debt limit		<u>173,825,000</u>
Legal debt margin		<u>\$ 77,841,874</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

J. Fund Equity

Nonspendable for inventories and prepaid items. These amounts do not represent available spendable resources even though they are components of net current assets.

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

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

Restricted for special revenue funds. Amounts restricted in accordance with the various use restrictions placed on their assets under applicable grant agreements and legislation.

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 \$3,520,000 reported in the Fund at June 30, 2011, 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. The liability is included in the County's accounts payable as reported in the fund statement and statement of net assets.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Changes in the Fund's estimated claims liability amount in fiscal year 2011 and 2010 were:

<u>Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2010	\$ 2,750,000	\$ 3,404,788	\$ (3,539,788)	\$ 2,615,000
2011	2,615,000	5,915,414	(5,010,414)	3,520,000

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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COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 environmental management. It is presented as a major business-type fund.

Condensed Statement of Net Assets:

	DAODAS
Assets:	
Current assets	\$ 2,639,834
Deferred issuance costs	41,806
Capital assets	<u>6,822,972</u>
Total assets	<u>\$ 9,504,612</u>
Liabilities:	
Current liabilities	\$ 412,302
Certificates of participation	2,754,214
Other long-term obligations	<u>295,212</u>
Total liabilities	<u>3,461,728</u>
Net Assets:	
Invested in capital assets, net of related debt	4,068,758
Unrestricted	<u>1,974,126</u>
Total net assets	<u>6,042,884</u>
Total liabilities and net assets	<u>\$ 9,504,612</u>

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

	DAODAS
Operating revenues	\$ 5,643,453
Depreciation and amortization	(256,466)
Other operating expenses	<u>(8,664,333)</u>
Operating income (loss)	<u>(3,277,346)</u>
Nonoperating revenues (expenses):	
Interest income	9,544
Interest expense	(215,402)
Intergovernmental revenue	<u>605,096</u>
Total nonoperating revenues (expenses)	<u>399,238</u>
Net Transfers in	<u>2,391,599</u>
Change in net assets	(486,509)
Beginning net assets	<u>6,529,393</u>
Ending net assets	<u>\$ 6,042,884</u>

Condensed Statement of Cash Flows:

	DAODAS
Net cash provided (used) by:	
Operating activities	\$ (3,375,947)
Noncapital financing activities	2,996,695
Capital and related financing activities	(723,369)
Investing activities	<u>9,544</u>
Net increase (decrease)	(1,093,077)
Beginning cash and cash equivalents	<u>2,418,047</u>
Ending cash and cash equivalents	<u>\$ 1,324,970</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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C. Subsequent Events

On July 27, 2011, the County issued General Obligation Capital Improvement Bonds with a par value of \$27,100,000. The County also issued General Obligation Capital Improvement Transportation Sales Tax Bonds with a par value of \$167,000,000.

On October 13, 2011, the County purchased the South Carolina Electric & Gas Company building located on Leeds Avenue. The purchase price was \$4.5 million. This property will be developed for a Sheriff's Law Enforcement Center.

During October 2011, County Council authorized staff to finalize negotiations with Motorola for Phase 3 of the new network design. The price is not to exceed \$7,000,000.

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, 2011, 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 2012.

The St. John's Fire District is in the process of obtaining general obligation bonds of approximately \$7.5 million to fund buildings/improvements and several fire truck acquisitions. The District anticipates the bond closing will occur in December 2011.

At year end, the James Island Public Service District was waiting on approved loan proceeds from two SC Budget and Control Board (SCB&CB) loans. The loan proceeds are to be used to pay \$1,921,684 of the cost of two wastewater projects which will cost \$1,991,684, and will be completed in the year ended June 30, 2012.

The first SCB&CB loan was closed on June 28, 2011, in the amount of \$1,334,927. This loan will be amortized in 80 quarterly payments of \$23,273. Payments will begin on October 1, 2011. As of June 30, 2011, the District was still waiting to receive the proceeds of this loan.

The second SCB&CB loan was received on October 3, 2011, in the amount of \$586,757. This loan will be amortized over 79 quarterly payments of \$10,319. Payments on this loan are also scheduled to begin on October 1, 2011.

In October 2011, the Commissioner of St. Paul's Fire District approved an amendment increasing a construction contract by \$315,000.

On July 29, 2011, the Charleston County Park and Recreation Commission purchased a tract of land on Hughes Road consisting of approximately 208 acres of highlands and approximately 115 acres of marshlands. The purchase price was \$4,900,000, of which \$4,075,000 was funded by the Greenbelt Bank Board and \$825,000 from the Commission.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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On September 11, 2011, the Charleston County Park and Recreation Commission purchased a tract of land on Highway 171 consisting of approximately 48.50 acres of highlands and approximately 10 acres of marshlands. The purchase price was \$3,400,000 which was funded from the debt service fund and is expected to be reimbursed from the General Obligation Bond proceeds.

On and around August 26, 2011, Hurricane Irene caused extensive damage to the Folly Beach County Park due to beach erosion. Costs to stabilize the beach incurred through November 2, 2011, totaled \$152,850.

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.

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.

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

The County entered into an agreement with the South Carolina Transportation Infrastructure Bank (SCTIB) for the completion of the Mark Clark Expressway. This agreement was executed on June 8, 2007, between the County, the SCTIB, and The South Carolina Department of Transportation. The total project funding requested was \$420 million. Preliminary design is underway on the project.

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>	
2012	\$ 3,241,852
2013	2,536,401
2014	<u>1,930,560</u>
TOTAL	<u>\$ 7,708,813</u>

The amount paid for these services for the year-ended June 30, 2011, was \$3,774,327.

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 a euthanasia fee of \$5.77 fee for each animal. The County also agrees to pay any reasonable out-of-pocket expenses associated with animal cruelty cases.

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

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 a 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 agreement was amended February 1, 2011. The following language was added: The Society may contract for accounting services in order to maintain an accurate record of fees and costs associated with the intake of animals delivered to Society. The Society will submit monthly invoices to the County for reimbursement. These monthly invoices shall include an itemized bill for said accounting services. The Society will be entirely responsible for any and all costs that exceed Fifteen Hundred (\$1,500.00) Dollars per month. The County may, at any time, request from Society a full audit of the accounting services and duties performed by accountant and Society will comply within a reasonable time with any and all such requests.

The Charleston County Park and Recreation Commission has entered into an agreement with the City of Folly Beach to restrict \$60,000 each year to provide for the re-nourishment of the erosion that occurs along Folly Beach. During the year ended June 30, 2011, \$0 funds were transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$414,179 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, 2011, for the 2011 program year were \$466,922. 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 \$280,483.

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 Department of Transportation and Charleston County 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 \$883,499. 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 \$8,191 per month on November 1, 2010. The lease also provided for contingent rentals of 7.25 percent of annual sales greater than \$1,200,000.

In 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, 2011:

<u>Year Ending June 30</u>	<u>Amount</u>
2012	\$ 98,292
2013	98,292
2014	98,292
2015	98,292
2016	<u>32,764</u>
Total minimum lease rentals	<u>\$ 425,932</u>

Total rent income of \$101,393 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, 2011, the leased assets have a book value of \$82,462.

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, 2011, the District owes the City \$16,679. This contract was extended for one year until June 30, 2012.

During the 2011 fiscal year, 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 (5) 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 tax payments each year due to the District until this overpayment has been recovered by the City.

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 \$2,058,419 for the fiscal year ending June 30, 2011.

Total contributions made by the Charleston County Library's plan members were \$260,973 for the fiscal year ending June 30, 2011.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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. Effective November 1, 2010, the District will limit the amount it contributes to the health premium, and the contribution will be subject to annual appropriation.

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.

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 percent of the retiree cost and 50 percent 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 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.

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- 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 percent or 65 percent) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.
- D) Employees may opt out of the plan. The Commission is not required to contribute at an actuarially determined rate, but has elected to contribute based on an advanced funding basis based on the actuarial determined amount.

Funding Policy

As of year-end, there were 543 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, 2011, the County recognized expenses of \$1,196,061 for healthcare, which were net of retiree contributions of \$1,176,450. 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 a level of funding that, if paid on an ongoing 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 percent.

For the year ended June 30, 2011, the County's annual OPEB cost was \$4,570,445 for the post employment healthcare plan. The County's annual OPEB cost for the current year is as follows:

Annual Required Contribution	\$ 4,534,259
Interest on OPEB obligation	492,255
Adjustment to ARC	<u>(456,069)</u>
Annual OPEB cost (expense) end of year	4,570,445
Net estimated employer contributions	<u>(1,676,012)</u>
Increase in net OPEB obligation	\$ 2,894,433
Net OPEB obligation/(asset) beginning of year	\$ 10,938,993
Net OPEB obligation/(asset) end of year	\$ 13,833,426

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Investment rate of return	4.5% net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization Period	Open 30 year period
Salary Growth	3.00% per annum
Inflation	3.00% per annum
Medical Trend	Starting at 9.0% and decreasing by .5% per year to 4.5% per after 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2011 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$5,947,354	\$1,872,824	31.5%	\$ 8,286,334
June 30, 2010	\$4,402,193	\$1,749,534	39.7%	\$10,938,993
June 30, 2011	\$4,570,445	\$1,676,012	36.7%	\$13,833,426

Schedule of Funding Progress and Status

<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>
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%
7/1/2010	\$ -	\$47,374,110	\$47,374,110	0%	\$99,400,000	47.66%

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

H. Funds Held by Coastal Community Foundation

As of June 30, 2011, the Coastal Community Foundation was holding \$431,055 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. During the year, \$5,000 was awarded as grants to the Library. Of the balance, \$10,087 is available for grants to the Library.

As of June 30, 2011, the Coastal Community Foundation was holding \$82,395 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, \$2,900 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, 2011

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, 2011, 2010, and 2009:

<u>SCRS Contributions</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Primary government:	\$ 6,025,133	\$ 6,038,511	\$ 6,157,100
Component units:			
CCL	653,680	641,886	670,394
CCPRC	810,537	750,734	691,007
JIPSD	395,833	393,616	402,807
SAPPPC	106,196	109,493	110,901
SJFD	36,538	47,767	44,726
SPFD	<u>9,464</u>	<u>9,998</u>	<u>7,633</u>
Total SCRS	\$ <u>8,037,381</u>	\$ <u>7,992,005</u>	\$ <u>8,084,568</u>
 <u>SCPORS Contributions</u>			
Primary government:	\$ 3,694,484	\$ 3,303,451	\$ 3,290,463
Component units:			
SJFD	525,406	492,090	479,814
SPFD	<u>258,948</u>	<u>267,074</u>	<u>236,949</u>
Total SCPORS	\$ <u>4,478,838</u>	\$ <u>4,062,615</u>	\$ <u>4,007,226</u>

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

During fiscal year 2011, Charleston County offered a voluntary retirement incentive to employees who were eligible to retire under the South Carolina Retirement System (SCRS) or the South Carolina Police Officers Retirement System (PORS). Employees who chose to participate in the program were required to separate from Charleston County no later than March 31, 2011. Departments and offices that had employees participate in the program were required to reduce their budgets by 75 percent of the annual salary for the retiree. This reduction is required to be maintained through fiscal year 2014.

Employees were offered two incentive choices. They could receive one week's pay for every year worked with the county, up to a maximum of 26 weeks pay or they could select to have the county purchase two and one half years of service credit in SCRS or PORS. A total of 38 Charleston County employees and 10 Charleston County Library employees retired under the incentive program. The total program cost was \$1,253,460. The program resulted in \$1,999,927 of savings in the fiscal year 2012 budget.

J. Pending GASB Pronouncements

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34" for periods beginning after June 15, 2012. The effect of implementation of this statement on the financial statements for the County's year ending June 30, 2013 has not yet been determined. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

This Statement modifies certain requirements for inclusion of component units in this financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government.

The GASB has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" for periods beginning after December 15, 2011. The effect of implementation of this statement on the financial statements for the County's year ending June 30, 2013 has not yet been determined. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

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CHARLESTON COUNTY, SOUTH CAROLINA 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, 2011 (UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
Primary Government						
7/1/2007	\$ -	\$ 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%
7/1/2010	\$ -	\$ 47,374,110	\$ 47,374,110	0%	\$ 99,400,000	47.66%
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%
<u>7/1/2010</u>						
JIPSD	\$ -	\$ 5,493,663	\$ 5,493,663	0%	\$ 4,331,757	127.00%
CCPRC	\$ -	\$ 3,058,193	\$ 3,058,193	0%	\$ 8,003,946	38.21%
SPFD	\$ -	\$ 130,811	\$ 130,811	0%	\$ -	0%

CONTINUED

**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, 2011 (UNAUDITED)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Funded
Primary Government				
2008	\$ 5,874,245	\$ 1,662,441	\$ 4,211,804	28.30%
2009	\$ 5,947,354	\$ 1,872,824	\$ 4,074,530	31.49%
2010	\$ 4,402,193	\$ 1,749,534	\$ 2,652,659	39.74%
2011	\$ 4,570,445	\$ 1,676,012	\$ 2,894,433	36.67%
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%
<u>2011</u>				
JIPSD	\$ 510,638	\$ 146,492	\$ 364,146	28.69%
CCPRC	\$ 363,911	\$ -	\$ 363,911	0%
SPFD	\$ -	\$ -	\$ -	0%

Note: The amounts shown as Actual Contribution include the implicit subsidy.

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**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.

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.

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

<u>ASSETS</u>	Special Revenue Funds			
	<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	1,821,089	49	24,880	375,225
Restricted cash and cash equivalents	964,282	-	-	-
Receivables (net of allowances for uncollectibles)	2,077,825	361,340	107,884	440,227
Total assets	\$ 4,863,196	\$ 361,389	\$ 132,764	\$ 815,452
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 585,922	\$ 39,734	\$ 35,650	\$ 248,404
Accrued payroll and fringe benefits	-	3,895	16,482	10,569
Due to other funds	-	299,088	77,242	-
Intergovernmental payable	3,565,910	-	-	132,695
Deferred revenue	-	18,622	-	25,325
Total liabilities	4,151,832	361,339	129,374	416,993
Fund balances:				
Restricted	711,364	50	3,390	398,459
Committed	-	-	-	-
Total fund balances	711,364	50	3,390	398,459
Total liabilities and fund balances	\$ 4,863,196	\$ 361,389	\$ 132,764	\$ 815,452

See notes to financial statements.

Special Revenue Funds

Construction Public Works	Economic Development	Education	Emergency Medical Services	Fire Districts
\$ -	\$ -	\$ -	\$ -	\$ -
11,287,696	708,784	-	-	797,510
-	-	-	-	-
1,745,628	9,587	5,736,922	575	1,850,618
<u>\$ 13,033,324</u>	<u>\$ 718,371</u>	<u>\$ 5,736,922</u>	<u>\$ 575</u>	<u>\$ 2,648,128</u>
\$ 311,748	\$ 18,978	\$ -	\$ -	\$ 18,109
-	14,784	-	-	53,818
-	-	189,574	575	-
100,000	-	-	-	78,077
-	-	5,547,348	-	1,681,317
411,748	33,762	5,736,922	575	1,831,321
12,621,576	684,609	-	-	816,807
-	-	-	-	-
12,621,576	684,609	-	-	816,807
<u>\$ 13,033,324</u>	<u>\$ 718,371</u>	<u>\$ 5,736,922</u>	<u>\$ 575</u>	<u>\$ 2,648,128</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

Special Revenue Funds

<u>ASSETS</u>	<u>Hazardous Materials Enforcement</u>	<u>Public Defender</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 47,841	\$ 50,965
Pooled cash and cash equivalents	236,931	1,020,963	42,484	2,068,109
Restricted cash and cash equivalents	-	-	-	-
Receivables (net of allowances for uncollectibles)	294	16,492	866,028	6,653
Total assets	<u>\$ 237,225</u>	<u>\$ 1,037,455</u>	<u>\$ 956,353</u>	<u>\$ 2,125,727</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 62	\$ 14,454	\$ 8,535	\$ 36,642
Accrued payroll and fringe benefits	3,963	146,276	45,730	8,390
Due to other funds	-	-	349,566	-
Intergovernmental payable	-	1,487	31,581	3,647
Deferred revenue	-	78,971	-	-
Total liabilities	<u>4,025</u>	<u>241,188</u>	<u>435,412</u>	<u>48,679</u>
 Fund balances:				
Restricted	233,200	796,267	520,941	2,077,048
Committed	-	-	-	-
Total fund balances	<u>233,200</u>	<u>796,267</u>	<u>520,941</u>	<u>2,077,048</u>
Total liabilities and fund balances	<u>\$ 237,225</u>	<u>\$ 1,037,455</u>	<u>\$ 956,353</u>	<u>\$ 2,125,727</u>

See notes to financial statements.

Special Revenue Funds				Capital Projects Funds
Solicitor	Storm Water Drainage	Victim Notification	Charleston Development Corp	Construction
\$ 2,690,754	\$ -	\$ 29,211	\$ -	\$ -
152,991	2,067,294	32,793	32,826	8,508,684
-	-	-	-	-
245,942	653,134	-	221	-
<u>\$ 3,089,687</u>	<u>\$ 2,720,428</u>	<u>\$ 62,004</u>	<u>\$ 33,047</u>	<u>\$ 8,508,684</u>
\$ 5,188	\$ 32,632	\$ 1,291	\$ -	\$ 281,123
55,444	34,773	14,829	-	-
390,479	-	-	-	-
81,281	89	-	-	-
56,408	-	-	-	-
588,800	67,494	16,120	-	281,123
2,500,887	2,652,934	45,884	33,047	-
-	-	-	-	8,227,561
2,500,887	2,652,934	45,884	33,047	8,227,561
<u>\$ 3,089,687</u>	<u>\$ 2,720,428</u>	<u>\$ 62,004</u>	<u>\$ 33,047</u>	<u>\$ 8,508,684</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011**

<u>ASSETS</u>	Capital Projects Funds			Total Nonmajor Governmental Funds
	Equipment Replacement Fund	General Services Construction	ITS / MIS	
Non-pooled cash and cash equivalents \$	-	\$ -	\$ -	\$ 2,818,771
Pooled cash and cash equivalents	403,403	23,319	2,112,471	31,717,501
Restricted cash and cash equivalents	-	-	-	964,282
Receivables (net of allowances for uncollectibles)	-	-	-	14,119,370
Total assets	\$ 403,403	\$ 23,319	\$ 2,112,471	\$ 49,619,924
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 68	\$ 22,638	\$ -	\$ 1,661,178
Accrued payroll and fringe benefits	-	-	-	408,953
Due to other funds	-	-	-	1,306,524
Intergovernmental payable	-	-	-	3,994,767
Deferred revenue	-	-	-	7,407,991
Total liabilities	68	22,638	-	14,779,413
Fund balances:				
Restricted	-	-	-	24,096,463
Committed	403,335	681	2,112,471	10,744,048
Total fund balances	403,335	681	2,112,471	34,840,511
Total liabilities and fund balances	\$ 403,403	\$ 23,319	\$ 2,112,471	\$ 49,619,924

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, 2011

	Special Revenue Funds			
	Accommo- dations	American Recovery & Reinvestment Act	Child Support Enforcement	Community Development
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,711	1,306,938	1,209,767	3,179,737
Fines and forfeitures	-	-	-	-
Service charges	9,927,318	-	-	-
Interest	5,575	-	-	-
Other revenues	-	-	-	-
Total revenues	9,957,604	1,306,938	1,209,767	3,179,737
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	20,281	75,949	-
Judicial	-	237,380	605,828	-
Public works	-	-	-	-
Health and welfare	-	1,046,479	-	3,244,261
Economic development	-	-	-	-
Culture and recreation	10,044,691	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,044,691	1,304,140	681,777	3,244,261
Excess (deficiency) of revenues over (under) expenditures	(87,087)	2,798	527,990	(64,524)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	-	-	-	89,456
Transfers out	(24,778)	(43,293)	(548,929)	(51,337)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(24,778)	(43,293)	(548,929)	38,119
Net change in fund balance	(111,865)	(40,495)	(20,939)	(26,405)
Fund balances at beginning of year	823,229	40,545	24,329	424,864
Fund balances at end of year	\$ 711,364	\$ 50	\$ 3,390	\$ 398,459

See notes to financial statements.

Special Revenue Funds

Construction Public Works	Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement
\$ -	\$ 1,207,438	\$ 5,679,022	\$ -	\$ 1,654,121	\$ -
4,551,019	312,365	154,088	33,286	664,338	-
-	-	-	-	-	-
-	-	-	-	-	191,200
41,461	-	-	-	-	-
-	9,588	-	575	9,608	-
4,592,480	1,529,391	5,833,110	33,861	2,328,067	191,200
-	9,588	-	-	-	-
-	-	-	35,264	2,427,826	188,381
-	-	-	-	-	-
4,159,033	-	-	-	-	-
-	-	-	-	-	-
-	1,473,821	-	-	-	-
-	-	-	-	-	-
-	-	5,833,110	-	-	-
-	-	-	-	-	-
4,159,033	1,483,409	5,833,110	35,264	2,427,826	188,381
433,447	45,982	-	(1,403)	(99,759)	2,819
-	-	-	-	-	-
5,820,767	-	-	1,403	34,497	-
(5,820,767)	-	-	-	(34,497)	-
-	-	-	-	-	-
-	-	-	1,403	-	-
433,447	45,982	-	-	(99,759)	2,819
12,188,129	638,627	-	-	916,566	230,381
\$ 12,621,576	\$ 684,609	\$ -	\$ -	\$ 816,807	\$ 233,200

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Special Revenue Funds			
	Public Defender	Safety Enforcement	Sheriff	Solicitor
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,262,923	1,795,382	103,500	927,989
Fines and forfeitures	-	82,107	161,581	93,728
Service charges	191,932	-	-	819,716
Interest	3,595	484	2,732	18,337
Other revenues	-	40,135	444,411	38,946
Total revenues	1,458,450	1,918,108	712,224	1,898,716
Expenditures:				
Current:				
General government	-	53,052	-	-
Public safety	-	742,843	628,168	-
Judicial	4,244,020	1,219,242	-	1,627,888
Public works	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	4,244,020	2,015,137	628,168	1,627,888
Excess (deficiency) of revenues over (under) expenditures	(2,785,570)	(97,029)	84,056	270,828
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	2,832,489	101,593	84,100	274,570
Transfers out	-	(225,768)	(24,878)	(218,401)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	2,832,489	(124,175)	59,222	56,169
Net change in fund balance	46,919	(221,204)	143,278	326,997
Fund balances at beginning of year	749,348	742,145	1,933,770	2,173,890
Fund balances at end of year	\$ 796,267	\$ 520,941	\$ 2,077,048	\$ 2,500,887

See notes to financial statements.

Special Revenue Funds			Capital Projects Funds	
Storm Water Drainage	Victim Notification	Charleston Development Corp	Construction	Equipment Replacement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
666,654	3,562	-	375,207	-
-	376,177	-	-	-
1,042,453	-	-	-	-
7,627	-	121	37,574	3,102
-	-	614	3,503,800	-
1,716,734	379,739	735	3,916,581	3,102
-	-	-	-	-
-	189,518	-	-	-
-	225,369	-	-	-
1,725,990	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	907,173	-
1,725,990	414,887	-	907,173	-
(9,256)	(35,148)	735	3,009,408	3,102
-	-	-	-	-
-	-	-	5,470,000	265,948
-	-	(279)	(6,941,738)	(1,169,794)
-	-	-	18,953	51,040
-	-	(279)	(1,452,785)	(852,806)
(9,256)	(35,148)	456	1,556,623	(849,704)
2,662,190	81,032	32,591	6,670,938	1,253,039
\$ 2,652,934	\$ 45,884	\$ 33,047	\$ 8,227,561	\$ 403,335

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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, 2011

	<u>Capital Projects Funds</u>		
	<u>General Services Construction</u>	<u>ITS / MIS</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ 8,540,581
Intergovernmental	-	-	16,571,466
Fines and forfeitures	-	-	713,593
Service charges	-	-	12,172,619
Interest	-	-	120,608
Other revenues	-	-	4,047,677
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	42,166,544
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	-	-	62,640
Public safety	-	-	4,308,230
Judicial	-	-	8,159,727
Public works	-	-	5,885,023
Health and welfare	-	-	4,290,740
Economic development	-	-	1,473,821
Culture and recreation	-	-	10,044,691
Education	-	-	5,833,110
Capital outlay	133,550	1,409,706	2,450,429
	<hr/>	<hr/>	<hr/>
Total expenditures	133,550	1,409,706	42,508,411
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(133,550)	(1,409,706)	(341,867)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Capital lease proceeds	-	632,831	632,831
Transfers in	-	50,000	15,024,823
Transfers out	-	(145,796)	(15,250,255)
Proceeds from sale of capital assets	-	-	69,993
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	537,035	477,392
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(133,550)	(872,671)	135,525
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	134,231	2,985,142	34,704,986
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Fund balances at end of year	\$ 681	\$ 2,112,471	\$ 34,840,511
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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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 24,711	\$ (20,289)
Service charges	8,100,000	9,801,050	9,927,318	126,268
Interest	25,000	25,000	5,575	(19,425)
Total revenues	8,170,000	9,871,050	9,957,604	86,554
Expenditures:				
Current:				
Culture and recreation	8,339,981	10,040,471	10,044,691	(4,220)
Total expenditures	8,339,981	10,040,471	10,044,691	(4,220)
Deficiency of revenues under expenditures	(169,981)	(169,421)	(87,087)	82,334
Other financing uses:				
Transfers out	(26,000)	(26,000)	(24,778)	1,222
Net change in fund balance	(195,981)	(195,421)	(111,865)	83,556
Fund balance at beginning of year	823,229	823,229	823,229	-
Fund balance at end of year	\$ 627,248	\$ 627,808	\$ 711,364	\$ 83,556

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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	<u>\$ 992,000</u>	<u>\$ 1,209,767</u>	<u>\$ 1,209,767</u>	<u>\$ -</u>
Total revenues	<u>992,000</u>	<u>1,209,767</u>	<u>1,209,767</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>77,451</u>	<u>75,949</u>	<u>75,949</u>	<u>-</u>
Judicial	<u>621,973</u>	<u>584,338</u>	<u>605,828</u>	<u>(21,490)</u>
Total expenditures	<u>699,424</u>	<u>660,287</u>	<u>681,777</u>	<u>(21,490)</u>
Excess of revenues over expenditures	<u>292,576</u>	<u>549,480</u>	<u>527,990</u>	<u>(21,490)</u>
Other financing uses:				
Transfers out	<u>(292,576)</u>	<u>(573,809)</u>	<u>(548,929)</u>	<u>24,880</u>
Net change in fund balance	<u>-</u>	<u>(24,329)</u>	<u>(20,939)</u>	<u>3,390</u>
Fund balance at beginning of year	<u>24,329</u>	<u>24,329</u>	<u>24,329</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,329</u>	<u>\$ -</u>	<u>\$ 3,390</u>	<u>\$ 3,390</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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,121,593	\$ 1,121,593	\$ 1,207,438	\$ 85,845
Intergovernmental	-	3,050,000	312,365	(2,737,635)
Other revenues	-	40,000	9,588	(30,412)
Total revenues	<u>1,121,593</u>	<u>4,211,593</u>	<u>1,529,391</u>	<u>(2,682,202)</u>
Expenditures:				
Current:				
General government	-	-	9,588	(9,588)
Economic development	<u>1,277,416</u>	<u>4,506,178</u>	<u>1,473,821</u>	<u>3,032,357</u>
Total expenditures	<u>1,277,416</u>	<u>4,506,178</u>	<u>1,483,409</u>	<u>3,022,769</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(155,823)</u>	<u>(294,585)</u>	<u>45,982</u>	<u>340,567</u>
Net change in fund balance	(155,823)	(294,585)	45,982	340,567
Fund balance at beginning of year	<u>638,627</u>	<u>638,627</u>	<u>638,627</u>	<u>-</u>
Fund balance at end of year	<u>\$ 482,804</u>	<u>\$ 344,042</u>	<u>\$ 684,609</u>	<u>\$ 340,567</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, 2011**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 5,700,000	\$ 5,966,290	\$ 5,679,022	\$ (287,268)
Intergovernmental	-	-	154,088	154,088
Total revenues	<u>5,700,000</u>	<u>5,966,290</u>	<u>5,833,110</u>	<u>(133,180)</u>
Expenditures:				
Current:				
Education	<u>5,700,000</u>	<u>5,966,290</u>	<u>5,833,110</u>	<u>133,180</u>
Total expenditures	<u>5,700,000</u>	<u>5,966,290</u>	<u>5,833,110</u>	<u>133,180</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FIRE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,623,000	\$ 1,672,217	\$ 1,654,121	\$ (18,096)
Intergovernmental	492,463	816,771	664,338	(152,433)
Other revenues	-	5,212	9,608	4,396
Total revenues	<u>2,115,463</u>	<u>2,494,200</u>	<u>2,328,067</u>	<u>(166,133)</u>
Expenditures:				
Current:				
Public safety	<u>2,084,391</u>	<u>2,573,454</u>	<u>2,427,826</u>	<u>145,628</u>
Total expenditures	<u>2,084,391</u>	<u>2,573,454</u>	<u>2,427,826</u>	<u>145,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,072</u>	<u>(79,254)</u>	<u>(99,759)</u>	<u>(20,505)</u>
Other financing sources (uses):				
Transfers in	-	51,490	34,497	16,993
Transfers out	(36,672)	(36,707)	(34,497)	(2,210)
Total other financing sources (uses)	<u>(36,672)</u>	<u>14,783</u>	<u>-</u>	<u>14,783</u>
Net change in fund balance	<u>31,072</u>	<u>(64,471)</u>	<u>(99,759)</u>	<u>(35,288)</u>
Fund balance at beginning of year	<u>916,566</u>	<u>916,566</u>	<u>916,566</u>	<u>-</u>
Fund balance at end of year	<u>\$ 947,638</u>	<u>\$ 852,095</u>	<u>\$ 816,807</u>	<u>\$ (35,288)</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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Service charges	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 191,200</u>	<u>\$ (8,800)</u>
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>191,200</u>	<u>(8,800)</u>
Expenditures:				
Current:				
Public safety	<u>255,121</u>	<u>254,919</u>	<u>188,381</u>	<u>66,538</u>
Total expenditures	<u>255,121</u>	<u>254,919</u>	<u>188,381</u>	<u>66,538</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(55,121)</u>	<u>(54,919)</u>	<u>2,819</u>	<u>57,738</u>
Other financing sources:				
Transfers out	<u>-</u>	<u>(9,225)</u>	<u>-</u>	<u>9,225</u>
Net change in fund balance	<u>(55,121)</u>	<u>(64,144)</u>	<u>2,819</u>	<u>66,963</u>
Fund balance at beginning of year	<u>230,381</u>	<u>230,381</u>	<u>230,381</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 175,260</u></u>	<u><u>\$ 166,237</u></u>	<u><u>\$ 233,200</u></u>	<u><u>\$ 66,963</u></u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
PUBLIC DEFENDER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,109,146	\$ 1,110,672	\$ 1,262,923	\$ 152,251
Service charges	167,000	167,000	191,932	24,932
Interest	-	-	3,595	3,595
Total revenues	<u>1,276,146</u>	<u>1,277,672</u>	<u>1,458,450</u>	<u>180,778</u>
Expenditures:				
Current:				
Judicial	4,415,829	4,418,868	4,244,020	174,848
Total expenditures	<u>4,415,829</u>	<u>4,418,868</u>	<u>4,244,020</u>	<u>174,848</u>
Deficiency of revenues under expenditures	<u>(3,139,683)</u>	<u>(3,141,196)</u>	<u>(2,785,570)</u>	<u>355,626</u>
Other financing sources:				
Transfers in	2,832,489	2,832,489	2,832,489	-
Net change in fund balance	(307,194)	(308,707)	46,919	355,626
Fund balance at beginning of year	<u>749,348</u>	<u>749,348</u>	<u>749,348</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 442,154</u></u>	<u><u>\$ 440,641</u></u>	<u><u>\$ 796,267</u></u>	<u><u>\$ 355,626</u></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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 103,500	\$ -
Fines and forfeitures	202,521	202,521	161,581	(40,940)
Interest	-	-	2,732	2,732
Other revenues	407,500	406,000	444,411	38,411
Total revenues	<u>713,521</u>	<u>712,021</u>	<u>712,224</u>	<u>203</u>
Expenditures:				
Current:				
Public safety	697,364	925,656	628,168	297,488
Total expenditures	<u>697,364</u>	<u>925,656</u>	<u>628,168</u>	<u>297,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,157</u>	<u>(213,635)</u>	<u>84,056</u>	<u>297,691</u>
Other financing sources (uses):				
Transfers in	84,112	84,112	84,100	(12)
Transfers out	-	(24,878)	(24,878)	-
Total other financing sources	<u>84,112</u>	<u>59,234</u>	<u>59,222</u>	<u>(12)</u>
Net change in fund balance	<u>100,269</u>	<u>(154,401)</u>	<u>143,278</u>	<u>297,679</u>
Fund balance at beginning of year	<u>1,933,770</u>	<u>1,933,770</u>	<u>1,933,770</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,034,039</u>	<u>\$ 1,779,369</u>	<u>\$ 2,077,048</u>	<u>\$ 297,679</u>

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, 2011

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 802,500	\$ 850,353	\$ 927,989	\$ 77,636
Fines and forfeitures	39,240	39,240	93,728	54,488
Service charges	958,918	926,622	819,716	(106,906)
Interest	-	-	18,337	18,337
Other revenues	-	-	38,946	38,946
Total revenues	1,800,658	1,816,215	1,898,716	82,501
Expenditures:				
Current:				
Judicial	1,703,155	1,928,409	1,627,888	300,521
Total expenditures	1,703,155	1,928,409	1,627,888	300,521
Excess (deficiency) of revenues over (under) expenditures	97,503	(112,194)	270,828	383,022
Other financing sources (uses):				
Transfers in	57,293	269,396	274,570	5,174
Transfers out	(152,547)	(221,354)	(218,401)	2,953
Total other financing sources (uses)	(95,254)	48,042	56,169	8,127
Net change in fund balance	2,249	(64,152)	326,997	391,149
Fund balance at beginning of year	2,173,890	2,173,890	2,173,890	-
Fund balance at end of year	\$ 2,173,890	\$ 2,173,890	\$ 2,173,890	\$ 391,149

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, 2011**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 658,500	\$ 658,500	\$ 666,654	\$ 8,154
Service charges	1,190,000	1,190,000	1,042,453	(147,547)
Interest	-	-	7,627	7,627
Total revenues	<u>1,848,500</u>	<u>1,848,500</u>	<u>1,716,734</u>	<u>(131,766)</u>
Expenditures:				
Current:				
Public works	<u>1,848,500</u>	<u>2,410,897</u>	<u>1,725,990</u>	<u>684,907</u>
Total expenditures	<u>1,848,500</u>	<u>2,410,897</u>	<u>1,725,990</u>	<u>684,907</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(562,397)</u>	<u>(9,256)</u>	<u>553,141</u>
Net change in fund balance	<u>-</u>	<u>(562,397)</u>	<u>(9,256)</u>	<u>553,141</u>
Fund balance at beginning of year	<u>2,662,190</u>	<u>2,662,190</u>	<u>2,662,190</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,662,190</u>	<u>\$ 2,099,793</u>	<u>\$ 2,652,934</u>	<u>\$ 553,141</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 3,400	\$ 3,400	\$ 3,562	\$ 162
Fines and forfeitures	<u>437,500</u>	<u>437,500</u>	<u>376,177</u>	<u>(61,323)</u>
Total revenues	<u>440,900</u>	<u>440,900</u>	<u>379,739</u>	<u>(61,161)</u>
Expenditures:				
Current:				
Public safety	239,220	239,220	189,518	49,702
Judicial	<u>233,597</u>	<u>233,597</u>	<u>225,369</u>	<u>8,228</u>
Total expenditures	<u>472,817</u>	<u>472,817</u>	<u>414,887</u>	<u>57,930</u>
Deficiency of revenues under expenditures	<u>(31,917)</u>	<u>(31,917)</u>	<u>(35,148)</u>	<u>(3,231)</u>
Net change in fund balance	(31,917)	(31,917)	(35,148)	(3,231)
Fund balance at beginning of year	<u>81,032</u>	<u>81,032</u>	<u>81,032</u>	-
Fund balance at end of year	<u>\$ 49,115</u>	<u>\$ 49,115</u>	<u>\$ 45,884</u>	<u>\$ (3,231)</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, 2011

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal	\$ 2,205,992	\$ -	\$ 2,205,992	\$ 2,205,992	\$ -	\$ 2,205,992
Wildlife/littering	51,723	51,723	-	-	-	-
DUI/DUS/BUI	69,078	69,078	-	-	-	-
Assessments	1,617,523	1,493,161	124,362	-	124,362	124,362
Surcharges	547,510	479,823	67,687	-	67,687	67,687
	<u>4,491,826</u>	<u>2,093,785</u>	<u>2,398,041</u>	<u>2,205,992</u>	<u>192,049</u>	<u>2,398,041</u>
Clerk of Court:						
Fines:						
Fines and Fees	1,821,339	1,164,493	656,846	656,846	-	656,846
Family court	2,162,334	1,107,933	1,054,401	1,054,401	-	1,054,401
DUI/DUS/BUI	13,089	13,089	-	-	-	-
Assessments	84,507	54,843	29,664	-	29,664	29,664
Surcharges	262,146	107,682	154,464	-	154,464	154,464
	<u>4,343,415</u>	<u>2,448,040</u>	<u>1,895,375</u>	<u>1,711,247</u>	<u>184,128</u>	<u>1,895,375</u>
	<u>\$ 8,835,241</u>	<u>\$ 4,541,825</u>	<u>\$ 4,293,416</u>	<u>\$ 3,917,239</u>	<u>\$ 376,177</u>	<u>\$ 4,293,416</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2011

ASSETS	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Current assets:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 268,329	\$ 269,029
Pooled cash and cash equivalents	1,324,270	5,086,303	378,578	3,124,468	9,913,619
Receivables (net of allowances for uncollectibles)	1,314,864	326,766	119,750	-	1,761,380
Total current assets	2,639,834	5,413,069	498,328	3,392,797	11,944,028
Deferred issuance costs	41,806	-	-	-	41,806
Capital assets:					
Buildings	9,554,391	-	-	-	9,554,391
Improvements other than buildings	270,255	-	-	-	270,255
Machinery and equipment	226,584	1,774,117	216,465	-	2,217,166
Less accumulated depreciation	(3,228,258)	(1,132,907)	(112,298)	-	(4,473,463)
Total capital assets (net of accumulated depreciation)	6,822,972	641,210	104,167	-	7,568,349
Total noncurrent assets	6,864,778	641,210	104,167	-	7,610,156
Total assets	9,504,612	6,054,279	602,495	3,392,797	19,554,183

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	\$ 123,483	\$ 5,088	\$ 62,686	\$ 38,078	\$ 229,335
Accrued payroll and fringe benefits	194,467	12,638	5,350	42,741	255,196
Compensated absences-current	80,720	-	2,950	26,255	109,925
Intergovernmental payable	1,518	700	44	3,063,178	3,065,440
Accrued interest payable	12,114	-	-	-	12,114
Certificates of participation - current	276,184	-	-	-	276,184
Total current liabilities	688,486	18,426	71,030	3,170,252	3,948,194
Noncurrent liabilities:					
Certificates of participation (net of unamortized discounts)	2,478,030	-	-	-	2,478,030
Compensated absences	296,212	9,040	5,558	76,391	386,201
Total noncurrent liabilities	2,773,242	9,040	5,558	76,391	2,864,231
Total liabilities	3,461,728	27,466	76,588	3,246,643	6,812,425
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	4,068,758	641,210	104,167	-	4,814,135
Unrestricted	1,974,126	5,385,603	421,740	146,154	7,927,623
Total net assets	\$ 6,042,884	\$ 6,026,813	\$ 525,907	\$ 146,154	\$ 12,741,758

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, 2011

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Operating revenues:					
Charges for services	\$ 5,637,895	\$ 1,690,605	\$ 1,584,325	\$ 1,648,112	\$ 10,560,937
Other revenues	5,558	-	-	246	5,804
Total operating revenues	5,643,453	1,690,605	1,584,325	1,648,358	10,566,741
Operating expenses:					
Personnel services	5,229,265	281,847	152,197	1,336,650	6,999,959
Contractual services	797,605	-	316,399	23,971	1,137,975
Materials and supplies	416,874	18,053	224,701	10,906	670,534
Utilities	234,718	763,855	-	-	998,573
Repairs and maintenance	174,559	99,136	1,163,210	1,653	1,438,558
Rental expenses	123,365	-	123,553	-	246,918
Vehicle fleet charges	20,098	-	4,352	12,125	36,575
Other expenses	1,667,849	303,197	961,931	443,772	3,376,749
Depreciation and amortization	256,466	195,015	43,021	-	494,502
Total operating expenses	8,920,799	1,661,103	2,989,364	1,829,077	15,400,343
Operating income (loss)	(3,277,346)	29,502	(1,405,039)	(180,719)	(4,833,602)
Nonoperating revenues (expenses):					
Interest income	9,544	17,932	-	24,329	51,805
Interest expense	(215,402)	-	-	-	(215,402)
Intergovernmental revenues	605,096	-	-	-	605,096
Total nonoperating revenues (expenses)	399,238	17,932	-	24,329	441,499
Income (loss) before transfers	(2,878,108)	47,434	(1,405,039)	(156,390)	(4,392,103)
Transfers in	2,391,599	-	1,688,003	256,000	4,335,602
Change in net assets	(486,509)	47,434	282,964	99,610	(56,501)
Total net assets - beginning	6,529,393	5,979,379	242,943	46,544	12,798,259
Total net assets - ending	\$ 6,042,884	\$ 6,026,813	\$ 525,907	\$ 146,154	\$ 12,741,758

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2011

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,350,430	\$ 2,383,304	\$ 1,495,777	\$ 1,648,358	\$ 10,877,869
Cash payments to suppliers for goods and services	(3,426,848)	(1,447,019)	(2,946,792)	1,293,118	(6,527,541)
Cash payments to employees for services	(5,299,529)	(275,415)	(154,078)	(1,386,547)	(7,115,569)
Net cash provided by (used in) operating activities	(3,375,947)	660,870	(1,605,093)	1,554,929	(2,765,241)
Cash flows from noncapital financing activities:					
Transfers in	2,391,599	-	1,688,003	256,000	4,335,602
Intergovernmental receipt	605,096	-	-	-	605,096
Net cash provided by noncapital financing activities	2,996,695	-	1,688,003	256,000	4,940,698
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(555,764)	-	-	-	(555,764)
Interest paid	(167,605)	-	-	-	(167,605)
Acquisition and construction of capital assets	-	(15,836)	(16,790)	-	(32,626)
Net cash used in capital and related financing activities	(723,369)	(15,836)	(16,790)	-	(755,995)
Cash flows from investing activities:					
Interest received	9,544	17,932	-	24,329	51,805
Net cash provided by investing activities	9,544	17,932	-	24,329	51,805
Net increase (decrease) in cash and cash equivalents	(1,093,077)	662,966	66,120	1,835,258	1,471,267
Cash and cash equivalents at beginning of year	2,418,047	4,423,337	312,458	1,557,539	8,711,381
Cash and cash equivalents at end of year	\$ 1,324,970	\$ 5,086,303	\$ 378,578	\$ 3,392,797	\$ 10,182,648
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 268,329	\$ 269,029
Pooled cash and cash equivalents	1,324,270	5,086,303	378,578	3,124,468	9,913,619
Cash and cash equivalents at end of year	\$ 1,324,970	\$ 5,086,303	\$ 378,578	\$ 3,392,797	\$ 10,182,648

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2011

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (3,277,346)	\$ 29,502	\$ (1,405,039)	\$ (180,719)	\$ (4,833,602)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	256,466	195,015	43,021	-	494,502
Changes in assets and liabilities:					
(Increase) decrease in receivables	(293,023)	692,699	(88,548)	-	311,128
Increase (decrease) in accounts payable	8,220	(262,778)	(152,646)	1,785,545	1,378,341
(Decrease) increase in accrued payroll	(70,264)	6,432	(1,881)	(49,897)	(115,610)
Total adjustments	(98,601)	631,368	(200,054)	1,735,648	2,068,361
Net cash provided by (used in) operating activities	\$ (3,375,947)	\$ 660,870	\$ (1,605,093)	\$ 1,554,929	\$ (2,765,241)

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, 2011

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 2,325,268	\$ 316,257	\$ 4,986,611	\$ 13,975,408	\$ 356,912	\$ 21,960,466
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	140,729	-	534	108,978	1,216	251,457
Due from other funds	-	-	121,352	522,622	-	643,974
Inventories	352,316	-	-	-	-	352,316
Total current assets	2,818,313	316,257	5,233,497	14,607,008	358,128	23,333,203
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	24,385,182	1,609,836	167,023	-	430,108	26,592,149
Less accumulated depreciation	(17,695,097)	(1,137,987)	(130,467)	-	(411,188)	(19,374,739)
Total capital assets (net of accumulated depreciation)	8,240,588	617,029	36,556	-	18,920	8,913,093
Total assets	11,058,901	933,286	5,270,053	14,607,008	377,048	32,246,296
LIABILITIES						
Current liabilities:						
Accounts payable	250,711	64,465	3,533,513	15,606	106,328	3,970,623
Accrued payroll and fringe benefits	70,830	34,157	14,899	-	9,630	129,516
Compensated absences-current	11,833	-	-	-	6,425	18,258
Intergovernmental payable	1,105	539	211,285	-	44	212,973
Accrued interest payable	6,581	-	-	-	-	6,581
Note payable - current	67,856	-	-	-	-	67,856
Lease payable - current	-	255,063	-	-	-	255,063
Total current liabilities	408,916	354,224	3,759,697	15,606	122,427	4,660,870
Noncurrent liabilities:						
OPEB liability	-	-	-	13,833,426	-	13,833,426
Compensated absences	271,731	72,776	42,572	-	-	387,079
Lease payable	-	271,763	-	-	-	271,763
Note payable	148,540	-	-	-	-	148,540
Total noncurrent liabilities	420,271	344,539	42,572	13,833,426	-	14,640,808
Total liabilities	829,187	698,763	3,802,269	13,849,032	122,427	19,301,678
NET ASSETS						
Invested in capital assets, net of related debt	8,024,192	90,203	36,556	-	18,920	8,169,871
Unrestricted	2,205,522	144,320	1,431,228	757,976	235,701	4,774,747
Total net assets	\$ 10,229,714	\$ 234,523	\$ 1,467,784	\$ 757,976	\$ 254,621	\$ 12,944,618

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, 2011

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Operating revenues:						
Charges for services	\$ 9,844,309	\$ 1,643,815	\$ 3,529,776	\$ 23,066,654	\$ 1,526,821	\$ 39,611,375
Total operating revenues	9,844,309	1,643,815	3,529,776	23,066,654	1,526,821	39,611,375
Operating expenses:						
Personnel services	1,939,221	806,695	397,539	-	299,160	3,442,615
Contractual services	3,538	3,216	5,053,490	-	900	5,061,144
Materials and supplies	6,608,277	584,857	127,582	7	5,763	7,324,486
Utilities	92,269	20,737	-	-	1,063,450	1,176,456
Repairs and maintenance	11,587	186,219	37,351	-	25,824	260,981
Rental expenses	-	23,449	-	-	-	23,449
Vehicle fleet charges	72,801	13,276	12,880	-	3,463	102,420
Employee benefits	-	-	-	23,075,509	-	23,075,509
Other expenses	1,077,610	26,985	21,742	73,545	10,584	1,210,466
Depreciation	2,485,751	289,617	32,951	-	25,726	2,834,045
Total operating expenses	12,289,054	1,955,051	5,683,535	23,149,061	1,434,870	44,511,571
Operating income (loss)	(2,444,745)	(311,236)	(2,153,759)	(82,407)	91,951	(4,900,196)
Nonoperating revenues (expenses):						
Interest income	-	-	18,414	46,557	-	64,971
Interest expense	(14,148)	(49,920)	-	-	-	(64,068)
Gain (loss) on disposal of capital assets	169,695	15,303	-	-	-	184,998
Total nonoperating revenues (expenses)	155,547	(34,617)	18,414	46,557	-	185,901
Income (loss) before transfers	(2,289,198)	(345,853)	(2,135,345)	(35,850)	91,951	(4,714,295)
Transfers out	(265,948)	-	-	-	-	(265,948)
Transfers in	3,100,325	290,483	1,500,000	-	-	4,890,808
Change in net assets	545,179	(55,370)	(635,345)	(35,850)	91,951	(89,435)
Total net assets - beginning	9,684,535	289,893	2,103,129	793,826	162,670	13,034,053
Total net assets - ending	\$ 10,229,714	\$ 234,523	\$ 1,467,784	\$ 757,976	\$ 254,621	\$ 12,944,618

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2011

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 262,946	\$ -	\$ -	\$ -	\$ 9,915	\$ 272,861
Cash receipts from interfund services provided	9,520,194	1,644,188	3,530,691	22,939,936	1,516,692	39,151,701
Cash payments to suppliers for goods and services	(8,176,142)	(902,175)	(4,632,551)	(20,250,972)	(1,160,707)	(35,122,547)
Cash payments to employees for services	(1,907,229)	(792,673)	(383,631)	-	(296,841)	(3,380,374)
Net cash provided by (used in) operating activities	(300,231)	(50,660)	(1,485,491)	2,688,964	69,059	921,641
Cash flows from noncapital financing activities:						
Transfers in	3,100,325	290,483	1,500,000	-	-	4,890,808
Transfers (out)	(265,948)	-	-	-	-	(265,948)
Net cash provided by noncapital financing activities	2,834,377	290,483	1,500,000	-	-	4,624,860
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(63,910)	(266,236)	-	-	-	(330,146)
Interest paid	(16,091)	(49,920)	-	-	-	(66,011)
Proceeds from capital lease	-	83,282	-	-	-	83,282
Proceeds from sale of capital assets	266,049	35,712	-	-	-	301,761
Acquisition and construction of capital assets (including capitalized interest)	(1,814,325)	(83,282)	(31,459)	-	-	(1,929,066)
Net cash used in capital and related financing activities	(1,628,277)	(280,444)	(31,459)	-	-	(1,940,180)
Cash flows from investing activities:						
Interest received	-	-	18,414	46,557	-	64,971
Net cash provided by investing activities	-	-	18,414	46,557	-	64,971
Net increase (decrease) in cash and cash equivalents	905,869	(40,621)	1,464	2,735,521	69,059	3,671,292
Cash and cash equivalents at beginning of year	1,419,399	356,878	5,110,147	11,239,887	287,853	18,414,164
Cash and cash equivalents at end of year	\$ 2,325,268	\$ 316,257	\$ 5,111,611	\$ 13,975,408	\$ 356,912	\$ 22,085,456
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 2,325,268	\$ 316,257	\$ 4,986,611	\$ 13,975,408	\$ 356,912	\$ 21,960,456
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	\$ 2,325,268	\$ 316,257	\$ 5,111,611	\$ 13,975,408	\$ 356,912	\$ 22,085,456

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2011

	<u>Fleet Management</u>	<u>Office Support Services</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,444,745)	\$ (311,236)	\$ (2,153,759)	\$ (82,407)	\$ 91,951	\$ (4,900,196)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,485,751	289,617	32,951	-	25,726	2,834,045
Changes in assets and liabilities:						
(Increase) decrease in receivables	(61,169)	373	915	(126,718)	(214)	(186,813)
Increase in inventory	(60,854)	-	-	-	-	(60,854)
Increase (decrease) in accounts payable	(251,206)	(43,436)	620,494	2,898,089	(50,723)	3,173,218
Increase (decrease) in accrued payroll	31,992	14,022	13,908	-	2,319	62,241
Total adjustments	2,144,514	260,576	668,268	2,771,371	(22,892)	5,821,837
Net cash provided by operating activities	<u>\$ (300,231)</u>	<u>\$ (50,660)</u>	<u>\$ (1,485,491)</u>	<u>\$ 2,688,964</u>	<u>\$ 69,059</u>	<u>\$ 921,641</u>

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, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<u>ASSETS</u>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 235,785	\$ 58,098	\$ 45,722	\$ 248,161
Held by Clerk of Court				
Third parties	7,457,950	21,123,683	16,298,795	12,282,838
Held by Delinquent Tax				
Third parties	17,842,222	66,166,273	66,064,741	17,943,754
Held by Family Court				
Third parties	449,597	32,543,649	32,724,553	268,693
Held by Magistrates				
Third parties	113,552	99,610	113,552	99,610
Held by Master-In-Equity				
Third parties	2,437,740	58,851,524	59,722,537	1,566,727
Held by Probate				
Third parties	2,336	9,460	8,145	3,651
Held by Public Defender				
Third parties	-	229,387	206,411	22,976
Held by Sheriff				
Third parties	281,005	5,089,697	5,354,947	15,755
Held by Solicitor				
Third parties	104,773	461,160	535,886	30,047
Total non-pooled cash and cash equivalents	28,924,960	184,632,541	181,075,289	32,482,212
Investments				
Held by Treasurer				
Charleston County School District	24,383,074	33,949,884	25,692,553	32,640,405
Total Investments	24,383,074	33,949,884	25,692,553	32,640,405

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, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>ASSETS</u>				
Pooled cash and cash equivalents:				
Held by Treasurer				
C & B Fire Department	\$ 15,128	\$ 7,510	\$ 22,638	\$ -
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(37,109)	31,073,647	30,915,557	120,981
Charleston County School District	26,057,785	616,126,735	623,092,028	19,092,492
City of Charleston	362,688	65,632,461	65,714,483	280,666
City of Folly Beach	18,963	2,036,303	2,039,684	15,582
City of Folly Beach/James Island	121	103,461	103,434	148
City of Isle of Palms	23,995	4,436,205	4,461,665	(1,465)
City of North Charleston	577,389	42,589,850	42,878,081	289,158
Cooper River PPC	2,207	230,084	230,910	1,381
East Cooper Fire District	68	-	-	68
James Island PSD	136,881	6,006,525	6,063,431	79,975
James Island Fireman's Fund	-	60,647	60,647	-
North Charleston District	13,576	1,284,843	1,289,924	8,495
S. C. Fireman's Association	-	2,015,812	2,015,812	-
St. Andrew's PPC	23,775	1,503,544	1,472,563	54,756
St. Andrew's Public Service District	70,674	4,618,800	4,522,777	166,697
St. John's Fire District	314,400	10,944,028	11,012,685	245,743
St. John's Fireman's Fund	-	368,039	368,039	-
St. Paul's Fire District	55,881	8,480,145	8,438,024	98,002
State Agencies	216,207	3,800,664	3,836,082	180,789
Third parties	(1,631,402)	86,925,823	87,605,839	(2,311,418)
Town of Awendaw Fireman's Assoc	-	45,542	45,542	-
Town of Awendaw	4,484	346,617	350,970	131
Town of Lincolnville	2,853	102,444	104,008	1,289
Town of McClellanville	2,406	281,746	282,786	1,366
Town of Mount Pleasant	90,893	27,472,702	27,539,312	24,283
Town of Sullivan's Island	5,128	1,559,421	1,561,644	2,905
Town of Summerville	222,554	265,608	235,160	253,002
Ten Mile Whitehall Escrow	311,037	201,434	47,188	465,283
Total held by Treasurer	26,859,544	918,520,640	926,310,913	19,069,271
Held by Drug & Vice Seizure Trust				
Third parties	572,693	353,787	430,599	495,881
Total pooled cash and cash equivalents	27,432,237	918,874,427	926,741,512	19,565,152
Total assets	\$ 80,740,271	\$ 1,137,456,852	\$ 1,133,509,354	\$ 84,687,769

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, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ (37,109)	\$ 31,073,647	\$ 30,915,557	\$ 120,981
Cooper River PPC	2,207	230,084	230,910	1,381
James Island PSD	136,881	6,006,525	6,063,431	79,975
North Charleston District	13,576	1,284,843	1,289,924	8,495
St. Andrew's PPPC	23,775	1,503,544	1,472,563	54,756
St. John's Fire District	314,400	10,944,028	11,012,685	245,743
St. Paul's Fire District	55,881	8,480,145	8,438,024	98,002
	<hr/>	<hr/>	<hr/>	<hr/>
Total due to component units	509,611	59,522,816	59,423,094	609,333
	<hr/>	<hr/>	<hr/>	<hr/>
Intergovernmental payable:				
C & B Fire Department	15,128	7,510	22,638	-
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	50,440,859	650,076,619	648,784,581	51,732,897
City of Charleston	362,688	65,632,461	65,714,483	280,666
City of Folly Beach	18,963	2,036,303	2,039,684	15,582
City of Folly Beach/James Island	121	103,461	103,434	148
City of Isle of Palms	23,995	4,436,205	4,461,665	(1,465)
City of North Charleston	577,389	42,589,850	42,878,081	289,158
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	60,647	60,647	-
S. C. Fireman's Association	-	2,015,812	2,015,812	-
St. John's Fireman's Fund	-	368,039	368,039	-
St. Andrew's Public Service District	70,674	4,618,800	4,522,777	166,697
State Agencies	216,207	3,800,664	3,836,082	180,789
Town of Awendaw Fireman's Assoc	-	45,542	45,542	-
Town of Awendaw	4,484	346,617	350,970	131
Town of Lincolnville	2,853	102,444	104,008	1,289
Town of McClellanville	2,406	281,746	282,786	1,366
Town of Mount Pleasant	90,893	27,472,702	27,539,312	24,283
Town of Sullivan's Island	5,128	1,559,421	1,561,644	2,905
Town of Summerville	222,554	265,608	235,160	253,002
Ten Mile Whitehall Escrow	311,037	201,434	47,188	465,283
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Total intergovernmental payable	52,364,409	806,021,885	804,974,533	53,411,761
	<hr/>	<hr/>	<hr/>	<hr/>
Due to third parties	27,866,251	271,912,151	269,111,727	30,666,675
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ 80,740,271	\$ 1,137,456,852	\$ 1,133,509,354	\$ 84,687,769
	<hr/>	<hr/>	<hr/>	<hr/>

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, 2011

Function	Land	Improvements			Machinery and Equipment	Infrastructure	Construction in Progress	Total
		Buildings	Other than Buildings					
General government	\$ 2,523,569	\$ 73,679,101	\$ 1,055,674	\$ 39,514,811	\$ -	-	\$ 1,572,525	\$ 118,345,680
Public safety	1,493,871	135,605,093	-	15,096,725	-	-	10,464,925	162,660,614
Judicial	-	60,706,495	-	809,203	-	-	-	61,515,698
Public works	190,671	397,168	67,191	1,169,657	46,434,818	174,067	-	48,433,572
Health and welfare	177,160	3,457,026	1,043,770	713,687	-	52,855	-	5,444,498
Culture and recreation	12,318,972	27,642,799	-	129,269	-	-	-	40,091,040
Economic Development	-	-	-	79,750	-	-	-	79,750
Total	\$ 16,704,243	\$ 301,487,682	\$ 2,166,635	\$ 57,513,102	\$ 46,434,818	\$ 12,264,372	\$ 436,570,852	

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, 2011

Function	Balance July 1, 2010	Additions *	Deletions *	Balance June 30, 2011
General government	\$ 117,406,072	\$ 2,463,987	\$ (1,524,379)	\$ 118,345,680
Public safety	153,898,699	9,885,420	(1,123,505)	162,660,614
Judicial	61,524,586	30,894	(39,782)	61,515,698
Public works	47,000,139	1,641,827	(208,394)	48,433,572
Health and welfare	4,390,186	1,108,866	(54,554)	5,444,498
Culture and recreation	40,038,894	105,000	(52,854)	40,091,040
Economic Development	45,110	34,640	-	79,750
Total	\$ 424,303,686	\$ 15,270,634	\$ (3,003,468)	\$ 436,570,852

* 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.

	Page Number
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.	179 - 185
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	186 - 190
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.	191 - 195
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.	196 -197
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.	198 - 206
Financial Assurance Coverage	207

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 38,880,686	\$ 40,126,334	\$ 49,998,715	\$ 57,359,439	\$ 73,784,397	\$ 89,153,294	\$ 102,685,537	\$ 99,409,429	\$ 98,333,460	\$ 109,879,879
Restricted	51,356,705	28,420,510	32,932,674	60,338,152	51,638,770	69,829,579	120,020,898	26,497,016	31,716,002	133,951,227
Unrestricted	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)	(205,897,191)
Total Governmental Activities Net Assets	\$ 155,794,861	\$ 110,533,455	\$ 116,194,687	\$ 129,446,954	\$ 163,051,533	\$ 185,161,391	\$ 160,724,847	\$ 124,648,874	\$ 88,726,991	\$ 37,933,915
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 32,625,114
Restricted	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	48,107,916
Unrestricted	7,081,568	25,676,672	38,441,936	42,327,249	15,023,549	36,781,998	40,032,892	35,882,091	30,461,308	29,145,836
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	\$ 102,780,233	\$ 109,878,866
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 142,504,993
Restricted	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	182,059,143
Unrestricted	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)	(176,751,355)
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	\$ 147,812,761

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	2011
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	\$ 55,667,451
Public Safety	49,424,542	57,667,474	60,199,756	65,411,630	67,475,922	65,619,715	79,153,052	79,004,932	77,890,858	82,516,821
Judicial	13,274,645	15,150,950	16,303,000	17,626,761	19,042,092	20,545,790	22,201,442	28,605,375	25,578,697	26,116,113
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	80,325,185
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	7,903,090
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	1,457,107
Culture and Recreation	14,145,906	14,744,185	17,484,877	16,731,110	18,133,308	21,307,239	53,822,207	48,254,152	41,390,976	38,886,387
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	5,884,830
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	20,739,273
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	319,496,257
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	1,564,753
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	19,920,437
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	1,967,543
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	7,802,742
Revenue Collections	-	-	-	-	-	-	1,724,477	1,641,615	1,721,430	1,483,346
Radio Communications	-	-	-	-	-	1,800,430	1,973,647	2,153,163	2,226,905	2,226,407
Total Business-Type Activities Expenses	38,772,806	37,690,860	38,666,429	40,918,370	43,698,928	43,752,248	55,136,018	59,226,213	49,263,345	34,965,228
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	\$ 354,461,485
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 10,150,792	\$ 13,676,611	\$ 15,440,672	\$ 17,935,275	\$ 19,041,161	\$ 18,098,660	\$ 16,034,883	\$ 10,852,721	\$ 9,697,135	\$ 13,632,343
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	11,478,288	19,420,040
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	8,379,703
Public Works	216,747	108,535	143,354	179,664	196,147	1,927,466	4,941,336	4,123,329	1,939,108	1,780,797
Health and Welfare	654,450	804,262	558,244	788,557	1,150,312	4,930,221	612,029	476,756	412,732	233,266
Culture and Recreation	79,220	66,828	66,441	73,303	201,705	179,007	4,003,363	1,767,195	912,786	882,902
Education	-	-	10,170	-	-	-	-	-	-	-
Operating Grants and Contributions	15,693,824	17,389,105	16,592,529	19,298,359	21,435,951	18,216,119	20,814,984	18,703,242	29,232,648	15,639,213
Capital Grants and Contributions	-	-	-	3,131,573	-	-	-	-	-	396,000
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	60,364,264

(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	2011
Business-Type Activities:										
Charges for Services:										
E 911 Communications	\$ 1,148,171	\$ 1,120,349	\$ 1,273,391	\$ 1,940,631	\$ 1,265,946	\$ 1,379,589	\$ 1,365,183	\$ 1,429,854	\$ 2,070,562	\$ 1,890,605
Environmental Management	29,199,399	29,429,531	32,729,983	33,605,612	35,799,249	37,594,483	43,770,682	39,969,998	30,790,268	27,092,882
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	2,807,563
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	5,095,135
Revenue Collections	-	-	-	-	-	-	1,071,795	464,550	528,649	497,742
Radio Communications	-	-	-	-	-	107,515	525,126	1,099,255	846,525	1,137,250
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	768,317
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	48,847,359	56,790,325	52,024,319	43,201,879	39,089,494
Total Primary Government Program Revenues	\$ 79,672,996	\$ 85,388,599	\$ 97,151,595	\$ 99,163,851	\$ 103,044,723	\$ 106,463,234	\$ 122,912,849	\$ 108,312,790	\$ 105,767,236	\$ 99,453,758
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)	\$ (259,131,993)
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)	4,124,266
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)	\$ (255,007,727)
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	\$ 106,384,010
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	41,340,224
Transportation Sales Tax	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907
Accommodations Tax	6,561,848	6,683,992	6,927,227	7,611,446	8,292,848	9,176,823	9,872,302	8,864,365	8,851,895	9,927,318
Franchise Tax	689,269	545,425	589,622	793,129	774,254	538,048	955,712	793,067	825,465	578,864
Merchants Inventory Tax and Manufacturer'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	1,440,092
Motor Carrier Tax	171,651	132,567	77,160	108,871	116,292	129,110	140,426	138,236	120,432	111,247
Unrestricted 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	12,111,216
Grants and Contributions not Restricted to Specific Program	217,231	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	3,957,860	727,946	489,755	2,495,650	5,757,314	5,421,959	3,749,245	1,173,784	1,318,508	837,142
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)	(2,322,103)
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	208,338,917

(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	2011
Business-type activities:										
Property Taxes	\$ 481,219	\$ 514,357	\$ 528,466	\$ 542,927	\$ 523,037	\$ 505,366	\$ 542,927	\$ 542,927	\$ 542,927	\$ 537,486
Alcoholic Beverage Tax	11,015	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832
Merchants Inventory tax and Manufacture's Depreciation	1,155,267	640,025	396,412	832,632	1,782,440	3,368,608	2,446,082	747,835	102,188	85,303
Unrestricted Investment Earnings	(111,664)	(22,975)	-	-	3,811	94,940	65,886	45,467	45,525	18,643
Gain (Loss) on Sale of Capital Assets	2,816,345	2,509,762	(8,151,631)	3,289,535	3,601,867	5,052,023	3,881,034	4,337,551	4,493,248	2,322,103
Transfers										
Total Business-type Activities	\$ 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	\$ 2,974,367
Total Primary Government	\$ 137,496,439	\$ 133,062,739	\$ 136,934,675	\$ 149,343,572	\$ 195,433,988	\$ 202,811,497	\$ 208,323,100	\$ 206,137,655	\$ 208,631,710	\$ 211,313,284
Special Items										
Change in Net Assets:	\$ (224,758)	\$ (7,573,526)	\$ (9,151,217)	\$ 3,471,464	\$ 1,383,940	\$ -	\$ -	\$ -	\$ -	\$ -
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)	(50,793,076)
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)	7,098,633
Total Primary Government	\$ 23,147,672	\$ 770,199	\$ 8,820,989	\$ 21,434,640	\$ 42,888,141	\$ 25,779,943	\$ (15,835,308)	\$ (37,903,176)	\$ (36,788,629)	\$ (43,694,443)

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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 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	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	-
Nonspendable - inventory	-	-	-	-	-	-	-	-	-	1,080,137
Assigned	-	-	-	-	-	-	-	-	-	10,093,341
Unassigned	-	-	-	-	-	-	-	-	-	41,175,155
Total General Fund	\$ 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	\$ 52,348,633
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ -	\$ 212,671	\$ 204,652	\$ 299,021	\$ 11,603	\$ 11,602	\$ -	\$ -	\$ -	\$ -
Encumbrances	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	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	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	-	-	-	-	78,931,458	96,021,511	230,106,543	171,548,405	109,412,393	-
Unreserved, Reported in:										
Special Revenue Funds	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	-
Restricted - Debt Service	-	-	-	-	-	-	-	-	-	19,694,980
Restricted - Transportation Sales Tax	-	-	-	-	-	-	-	-	-	90,159,784
Restricted - Special Revenue Funds	-	-	-	-	-	-	-	-	-	24,096,463
Committed - Capital Project Funds	-	-	-	-	-	-	-	-	-	37,748,923
Total All Other Governmental Funds	\$ 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	\$ 171,700,150

GASB 54 was implemented fiscal year 2011; fund balance information is not available for prior fiscal years.

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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 104,625,890
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	41,340,224
Transportation Sales Tax	-	-	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907
Intergovernmental	31,708,211	34,026,407	35,526,262	35,529,286	38,162,337	36,427,704	44,083,506	43,140,957	49,794,898	42,499,737
Permits and Licenses	19,395,825	21,240,225	23,974,732	28,134,114	5,039,668	5,290,740	5,700,779	4,439,742	3,985,696	3,883,031
Fines and Forfeitures	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	2,546,099
Interest	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	1,691,902
Service Charges	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	32,021,795
Rental and Use of Property	987,732	977,369	913,155	764,147	824,999	749,145	723,986	632,741	663,862	618,864
Other Revenues	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	9,838,439
Total Revenues	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	276,996,888
Expenditures										
Current:										
General Government	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	50,423,995
Public Safety	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	77,281,411
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	23,801,633
Public Works	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	79,237,736
Health and Welfare	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	7,858,271
Economic Development	732,242	582,206	1,055,405	953,526	3,480,343	1,327,411	3,230,479	858,031	6,121,263	1,473,821
Culture and Recreation	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	40,394,034
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	5,833,110
Capital Outlay	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	12,706,413
Debt Service:										
Principal	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	18,910,800
Interest and Fiscal Charges	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	21,716,423
Bond Issuance Costs	-	-	887,728	314,963	288,427	-	97,756	102,252	413,848	-
Total Expenditures	184,686,665	177,098,460	189,120,240	190,466,168	227,408,085	245,396,584	307,823,558	347,364,348	352,923,610	339,637,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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)	(62,640,759)

(CONTINUED)

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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 632,831
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	-	-	63,740,000	-	-	-	-	-	20,775,000	-
Refunding Certificates of Participation Issued	-	-	38,527,153	16,139,845	-	-	-	-	-	-
Premium on Bonds Sold	-	-	2,753,332	707,763	1,978,623	-	10,789,016	-	-	-
Payment to Refunded Debt Escrow Agent	-	-	(100,978,948)	(16,749,287)	-	-	-	-	6,493,791	-
Transfers In	7,729,355	6,173,477	27,328,853	11,448,598	26,475,413	20,464,780	30,244,272	30,727,314	29,771,504	69,527,149
Transfers Out	(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)	(76,474,112)
Proceeds from Sale of Capital Assets	118,014	24,645	1,144,447	1,572,599	1,390,616	194,554	46,780	220,347	467,250	70,524
Total Other Financing Sources (Uses)	(5,537,811)	(3,868,283)	10,695,963	(3,616,750)	62,732,332	(6,268,139)	228,972,407	(4,438,265)	51,233,744	(6,243,608)
Special Item	-	-	(9,151,217)	-	1,383,940	-	-	-	-	-
Net Change in Fund Balances	\$ (15,716,018)	\$ (3,584,263)	\$ (1,819,938)	\$ 20,047,428	\$ 87,835,328	\$ 6,751,422	\$ 195,484,568	\$ (87,623,682)	\$ (26,803,557)	\$ (68,884,367)
Capital Asset Expenditures	\$ 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	\$ 14,204,807
Debt Service as a										
Percentage of Noncapital Expenditures	10.4%	11.1%	13.0%	10.7%	11.2%	10.0%	11.2%	12.9%	13.2%	12.5%

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		Assessed Value as a Percentage of Estimated Actual Tax Value
				Assessed Value	Taxable Value		Taxable Value	Tax Value	
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%
2011	2,729,144,416	234,746,374	155,001,548	3,118,892,338		181.0	58,181,179,259		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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Direct Rates:										
Charleston County Government Operating	53.8	50.8	50.8	51.3	40.2	40.2	40.2	40.2	40.2	40.2
Charleston County Government Debt Service	13.0	10.4	10.4	9.9	6.6	6.6	6.6	6.6	6.6	6.6
Park and Recreation Commission Operating	3.7	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.7	3.7
Park and Recreation Commission Debt Service	3.9	3.7	3.7	3.7	2.1	2.1	2.1	2.0	1.9	1.9
Trident Technical College	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0
County School Board Operating	81.6	89.3	105.1	109.0	91.1	92.8	95.4	98.7	98.7	98.7
County School Board Debt Service	21.8	20.4	12.1	12.4	15.8	13.6	18.2	23.9	27.9	27.9
Total Direct Rate	180.0	180.2	187.7	191.9	161.3	160.8	168.0	177.0	181.0	181.0
Fire District Rates:	23.8 - 51.5	21.8 - 50.9	23.2 - 50.9	23.9 - 51.5	16.7 - 38.0	16.7 - 40.3	12.0 - 41.5	12.0 - 42.7	12.0 - 47.7	12.0 - 48.4
City/Town Rates:	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	22.2 - 92.8	22.2 - 92.8
Public Service District Rates:	77.4 - 104.6	72.1 - 104.5	74.2 - 104.5	74.2 - 111.4	55.2 - 111.2	55.2 - 102.3	51.6 - 102.3	55.2 - 102.3	57.6 - 102.3	57.6 - 102.3

Source:

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

Note:

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2011

<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	\$ 380,935,000	100%	\$ 380,935,000
Overlapping:			
Park & Recreation Commission	25,600,000	100%	25,600,000
Public School Districts	231,017,000	100%	231,017,000
Subtotal	256,617,000	100%	256,617,000
Total	\$ 637,552,000	100%	\$ 637,552,000

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	2011			2012		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SC Electric & Gas	Public Utility	\$ 44,582,430	1	1.53%	\$ 31,757,590	1	3.2%
Kapstone Kraft	Manufacturing/Chemical	14,728,415	2	0.50%	18,674,750	3	1.9%
Bell South	Public Utility	13,798,840	3	0.47%	18,895,390	2	-
Boeing	Manufacturing	8,270,113	4	0.28%	-	-	-
Kiawah Real Estate Co.	Real Estate	7,247,820	5	0.25%	-	-	-
Charleston/North Charleston MSA	Retail	6,298,520	6	0.22%	-	-	-
Berkeley Electric Co-Op	Public Utility	5,931,340	7	0.20%	5,049,640	4	0.5%
Charleston Place LLC	Hotel	5,635,510	8	0.19%	3,239,660	8	0.3%
Cummings	Manufacturing	5,049,300	9	0.17%	3,702,590	7	-
Kiawah Resort Associates	Resort	4,933,070	10	0.17%	5,242,340	5	0.5%
Charleston Joint Venture	Real Estate	-	-	-	4,475,520	6	0.4%
Trident Regional	Hospital	-	-	-	2,330,580	9	0.2%
Rhodia	Manufacturer - Chemicals	-	-	-	1,813,720	10	0.2%
Totals		<u>\$ 116,475,358</u>		<u>3.99%</u>	<u>\$ 95,181,780</u>		<u>7.2%</u>

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		Adjusted Tax		Collected within the Fiscal		Collections in		Total Collections to Date	
	Levy for		Levy for		Year of the Levy		Subsequent		Percentage	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Amount	Percentage of Levy	Years	Amount	Amount	Percentage of Levy
2002	\$ 69,979,712	\$ 69,979,712	\$ 69,979,712	\$ 66,574,527	\$	95.1%	3,329,410	\$ 69,903,937	\$	99.9%
2003	70,724,095	70,724,095	70,724,095	67,801,645		95.9%	2,834,190	70,635,835		99.9%
2004	73,504,819	73,504,819	73,504,819	70,729,990		96.2%	2,667,216	73,397,206		99.9%
2005	71,982,912	71,982,912	71,982,912	69,530,828		96.6%	2,363,833	71,894,661		99.9%
2006	75,825,360	75,825,360	75,825,360	73,525,524		97.0%	2,126,044	75,651,568		99.8%
2007	76,026,583	76,026,583	76,026,583	73,199,901		96.3%	1,220,087	74,419,988		97.9%
2008	78,854,461	78,854,461	78,854,461	75,500,629		95.7%	1,776,394	77,277,023		98.0%
2009	82,649,921	82,649,921	82,649,921	77,757,867		94.1%	4,031,689	81,789,556		99.0%
2010	92,300,468	92,300,468	92,300,468	86,401,791		93.6%	3,197,038	89,598,829		97.1%
2011	93,003,513	93,003,513	93,003,513	88,052,370		94.7%	3,468,138	91,520,508		98.4%

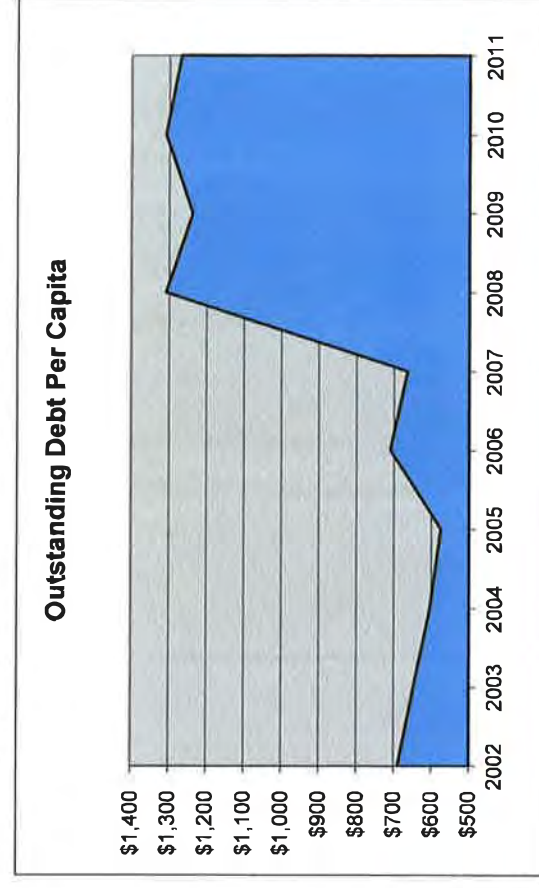
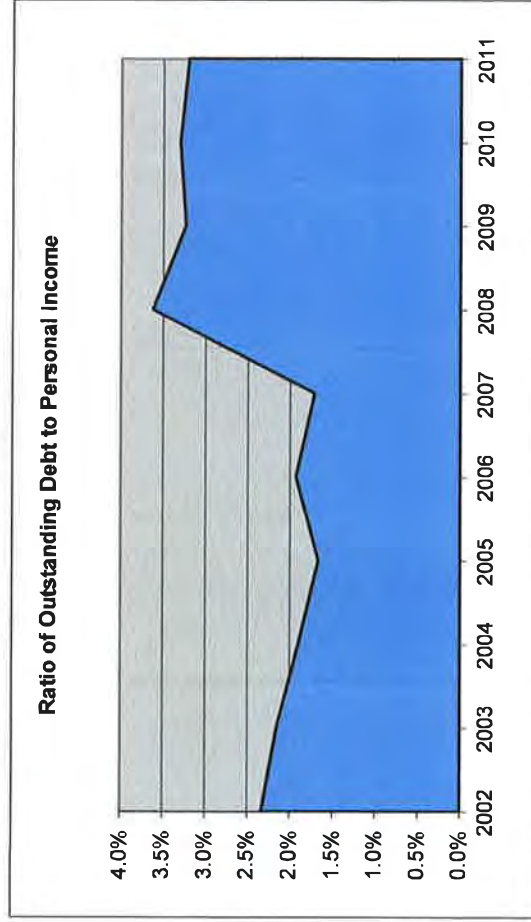
Source: This information was provided by the Charleston County Treasurer's Office.

**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			
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
2011	394,957,209	35,245,570	2,810,433	6,252,256	4,843,673	-	444,109,141	3.2%	1,268

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**

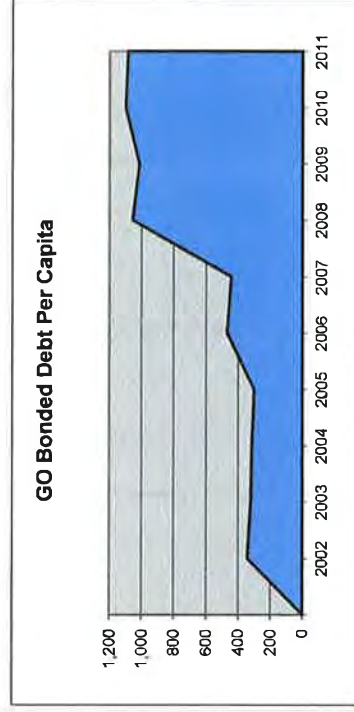
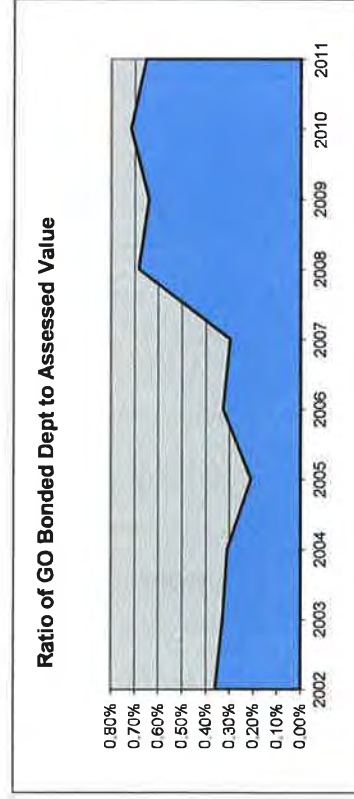
UNAUDITED

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
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
2011	350,209	58,181,179,259	380,935,000	0.65%	1,088

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

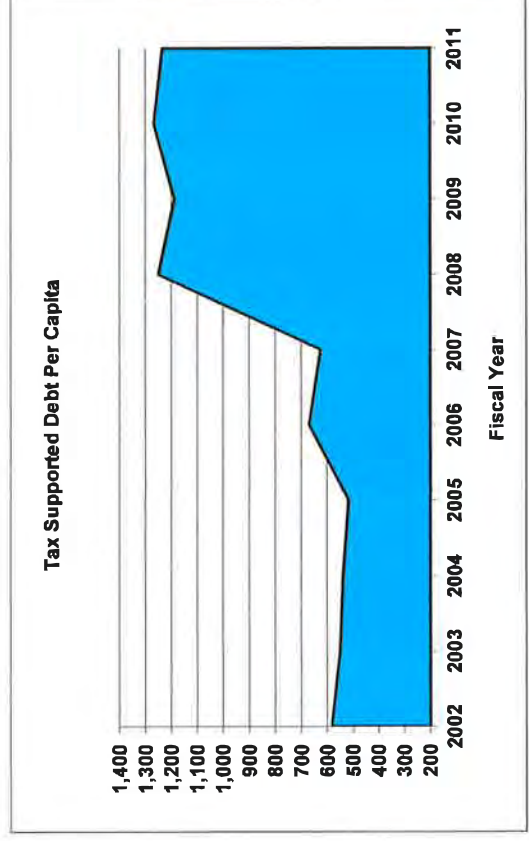
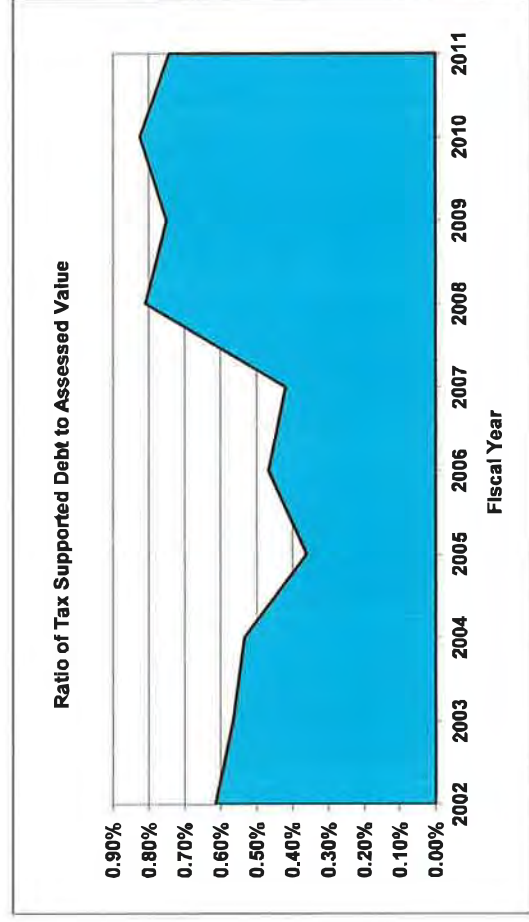
UNAUDITED

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
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
2011	350,209	58,181,179,259	394,957,209	35,245,570	2,283,608	432,486,387	0.74%	1,235

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.

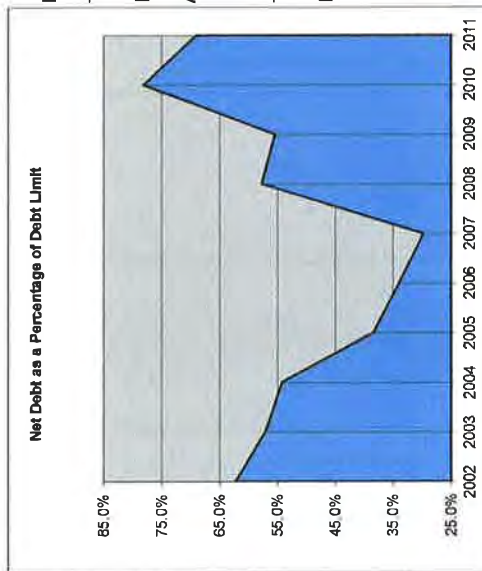
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 135,820,190	\$ 140,476,777	\$ 144,634,276	\$ 195,786,861	\$ 205,995,772	\$ 216,723,669	\$ 235,740,344	\$ 239,227,649	\$ 235,980,407	\$ 251,666,874
Total Net Debt Applicable to Debt Limit	84,600,000	80,245,000	78,558,957	75,338,957	69,974,368	64,575,697	136,260,341	132,862,801	184,650,000	173,825,000
Legal Debt Margin	\$ 51,220,190	\$ 60,231,777	\$ 66,075,319	\$ 120,447,904	\$ 136,021,404	\$ 152,147,972	\$ 99,480,003	\$ 106,364,848	\$ 51,330,407	\$ 77,841,874
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	62.3%	57.1%	54.3%	38.5%	34.0%	29.8%	57.8%	55.5%	78.2%	69.1%



Legal Debt Margin Calculation for Fiscal Year 2011

Total Assessed Value	\$ 3,145,835,935
Debt Limit (8% of Total Assessed Value)	251,666,874
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	380,935,000
Less: Debt Issued Through Referendum	(207,110,000)
Total Amount of Debt Applicable to Debt Limit	173,825,000
Legal Debt Margin	\$ 77,841,874

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.

UNAUDITED

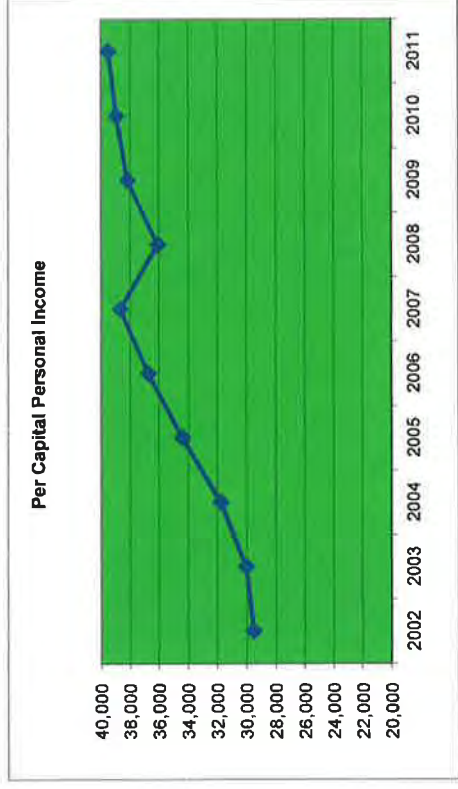
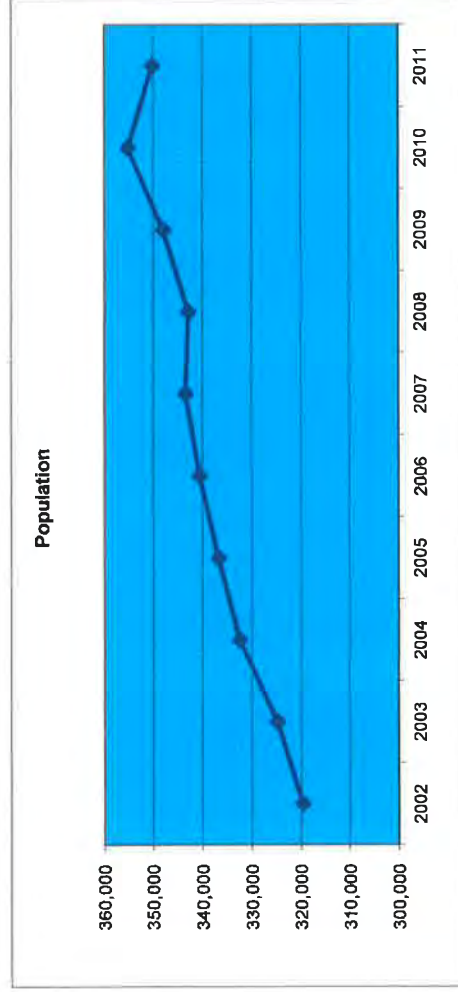
Note: 3 Total operating expenses are exclusive of depreciation and amortization.

COUNTY OF CHARLESTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Population	Per Capita		Unemployment Rate	Median Age	School Enrollment
		Personal Income	Personal Income			
2002	319,723	\$ 9,449,358,000	29,555	3.8%	33.9	41,829
2003	324,900	9,763,420,000	30,051	4.2%	34.5	41,712
2004	332,561	10,569,980,000	31,784	4.4%	35.3	43,814
2005	336,865	11,594,427,000	34,419	4.7%	35.5	43,465
2006	340,625	12,517,629,000	36,749	5.0%	36.2	43,335
2007	343,522	13,295,048,000	38,702	5.0%	36.0	42,742
2008	342,973	12,380,254,000	36,097	4.5%	36.0	42,303
2009	348,046	13,295,048,000	38,199	5.3%	36.0	42,482
2010	355,276	13,844,611,000	38,969	8.6%	36.9	42,942
2011	350,209	13,845,863,000	39,536	9.4%	36.0	43,796

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 - 45 Day Enrollment
- South Carolina Association of Counties

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

UNAUDITED

	Employer	2011				2002			
		Number of Employees	Rank	Percentage of Total County Employment		Number of Employees	Rank	Percentage of Total County Employment	
County Employment for 2011		162,330							
County Employment for 2002		146,828							
	Medical University of South Carolina (MUSC)	11,000	1	6.78%		8,200	1	5.58%	
	Charleston Air Force Base	7,000	2	4.31%		5,292	2	3.60%	
	Charleston County School District	5,150	3	3.17%		5,000	3	3.41%	
	Roper St. Francis Healthcare	3,800	4	2.34%		4,000	4	2.72%	
	Boeing Charleston	3,000	5	1.85%		-	-	-	
	JEM Restaurant Group Inc.	3,000	6	1.85%		-	-	-	
	Trident Medical Center (Trident Health System)	2,500	7	1.54%		2,000	7	-	
	Wal-Mart	2,300	8	1.42%		1,500	9	1.02%	
	County of Charleston	2,150	9	1.32%		1,933	8	1.32%	
	Piggly Wiggly Carolina Co. Inc.	1,900	10	1.17%		2,447	5	1.67%	
	City of Charleston	1,700	-	1.05%		1,250	10	0.85%	
	Kiawah Island Golf Resort	1,600	-	0.99%		-	-	-	
	Mead Westvaco	-	-	-		2,000	6	1.36%	
Totals		45,100		27.78%		33,622		21.54%	

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	7.00	7.00	7.00	7.00	7.00	6.31	5.31	6.80
Assessor	44.00	44.00	44.00	47.00	47.00	47.00	49.00	53.00	51.00	53.00
Assist Admin for Finance	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Assist Admin for Gen Svcs	-	-	-	-	-	-	-	4.00	4.00	3.00
Assist Admin for Human & Environmental Svcs	-	-	-	-	-	3.00	3.00	3.00	3.00	4.00
Auditor	31.00	31.00	30.00	30.00	30.00	29.00	29.00	30.00	29.00	31.00
Budget	6.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00	7.00	8.00
Capital Projects/Facilities Mgmt.	20.00	20.00	17.00	17.00	17.00	16.00	14.00	12.00	11.00	62.00
Delinquent Tax	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00	-
Deputy County Admin										0.10
Elections/Voter Registration	8.50	8.50	8.50	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Finance	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	13.00	13.00
Grants	13.25	12.25	11.25	11.25	11.25	9.75	9.75	8.75	8.15	7.40
Human Resources	16.00	15.00	14.00	14.00	14.00	14.00	14.00	17.00	15.00	16.00
Internal Auditor	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	156.00	149.60	77.60	76.60	72.60	68.60	68.60	67.80	61.80	60.00
Legal	5.84	5.56	5.56	5.56	5.56	6.56	6.42	8.42	7.42	6.67
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Nondepartmental										12.00
Organization Development	-	-	-	-	-	4.00	4.00	4.35	3.35	-
Procurement Services	16.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	15.00	14.00
Radio Communications	3.00	3.00	3.00	3.00	3.00	-	-	-	-	-
Register Mesne Conveyance	30.00	30.00	30.00	30.00	30.00	33.00	33.00	32.00	27.00	27.00
Revenue Collections	5.00	5.00	6.00	6.00	6.00	6.00	22.00	22.00	22.00	30.00
Safety & Risk Management	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00
Technology Services	10.00	13.00	13.00	8.00	9.00	17.00	17.00	17.00	16.00	16.00
Treasurer	20.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	19.00
Zoning/Planning	25.00	25.00	25.00	25.00	26.00	24.00	24.00	24.00	22.00	21.00
Other (No Longer Used)	6.00	6.00	-	-	-	-	-	-	-	-
Total General Government	473.59	465.91	383.91	382.41	380.41	388.91	404.77	412.63	385.03	444.97

(CONTINUED)

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

UNAUDITED

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Building Inspections	23.00	22.00	21.00	21.00	22.00	22.00	22.00	24.00	21.00	22.00
Consolidated Dispatch	-	-	-	-	-	-	-	1.00	72.50	100.25
Emergency Management	7.00	7.00	6.00	20.00	25.00	27.00	30.00	30.00	24.50	34.00
Emergency Medical	168.00	167.00	170.00	161.00	169.00	174.00	174.00	165.00	139.50	134.00
Planning	1.00	1.00	1.00	1.00	1.00	1.00	2.00	-	-	-
Sheriff	674.31	702.31	741.31	777.31	779.31	780.31	792.31	808.11	834.11	828.74
Technology Services	-	-	-	-	-	-	-	2.00	2.00	-
Other (No Longer Used)	1.00	-	-	-	-	-	-	-	-	-
Total Public Safety	874.31	899.31	939.31	980.31	996.31	1,004.31	1,020.31	1,030.11	1,093.61	1,118.99
Judicial										
Clerk of Court	54.00	53.00	53.00	53.00	53.00	54.00	54.00	54.00	55.00	56.00
Coroner	6.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00	8.00
Magistrates Courts	67.89	67.89	67.89	68.89	70.41	70.41	70.41	69.41	68.39	68.13
Master-In-Equity	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Probate Courts	18.30	19.30	19.30	19.30	19.30	19.30	20.30	20.30	19.30	19.30
Public Defender	-	-	-	-	-	-	-	52.00	52.00	52.00
Solicitor	74.00	77.00	79.00	79.00	81.00	88.00	91.00	93.00	96.00	111.00
Total Judicial	226.19	229.19	231.19	232.19	235.71	243.71	249.71	303.71	305.69	321.43
Public Works										
Administrator	-	-	-	-	-	-	-	0.69	0.69	0.69
Revenue Collections	12.00	11.00	11.00	12.00	12.00	13.00	-	-	-	-
Chief Deputy Administrator	-	-	-	-	1.00	1.00	1.00	-	-	-
Environmental Management	131.00	127.00	126.00	126.00	126.00	126.00	128.00	127.00	134.20	132.26
Organizational Development	-	-	-	-	-	-	-	1.65	1.65	-
Procurement Svcs.	-	-	-	-	-	-	-	-	-	2.00
Public Works	173.00	162.00	159.00	159.00	161.00	168.00	176.00	164.00	150.00	138.02
Transportation Development	-	-	-	-	-	-	-	-	-	21.63
Total Public Works	316.00	300.00	296.00	297.00	300.00	308.00	305.00	293.34	286.54	294.60

(CONTINUED)

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

UNAUDITED

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Health and Welfare										
Capital Projects/Facilities	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grants	20.75	18.75	25.75	25.75	25.75	26.25	36.25	33.25	33.85	5.60
DAODAS	170.50	125.00	131.00	131.00	131.00	133.00	137.00	129.00	111.00	107.00
Public Works	29.00	26.00	24.00	24.00	24.00	23.00	23.00	24.00	20.00	20.00
Veterans Affairs	4.00	4.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Total Health and Welfare	225.25	175.75	185.75	185.75	185.75	187.25	202.25	192.25	170.85	138.60
Culture and Recreation										
Assist Admin for Transportation & Emergency Management	-	-	-	-	-	-	-	2.00	1.80	-
Greenbelt										
Planning	-	-	-	-	-	1.00	1.00	-	-	2.00
Revenue Collections	3.00	3.00	3.00	3.00	3.00	3.00	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	1.00	1.00	2.00	1.80	2.00
Economic Development										
Total Economic Development	2.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	5.00
Total	2,117.34	2,071.16	2,038.16	2,079.66	2,100.18	2,135.18	2,186.04	2,237.04	2,246.52	2,325.59

Source: Charleston County Budget Department

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

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

UNAUDITED

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Auditor - Tax Notices Processed	530,520	503,520	520,000	545,000	600,000	590,283	521,701	550,000	575,000	580,000
RMC Documents Recorded	110,000	143,674	142,244	143,500	147,569	133,772	116,770	84,711	90,890	90,890
Zoning Applications Processed	3,000	2,761	3,340	3,400	3,741	3,336	3,266	2,846	2,500	2,500
Illegal Businesses Located	563	982	998	831	714	278	346	86	117	120
Public Safety										
Building Inspections Performed	18,000	15,965	18,323	22,563	28,191	23,702	22,519	15,472	12,577	16,000
Bad Check Warrants Served	5,280	2,632	2,432	7,107	3,774	6,124	6,194	6,594	9,107	7,851
Daily Costs Per Prisoner	32	33	40	40	40	40	55	55	55	55
Judicial										
Marriage Licenses Issued	4,800	2,275	2,429	3,712	3,733	3,877	3,769	3,846	3,764	3,900
Master-in-Equity Cases Disposed of	640	833	1,323	1,248	718	998	1,390	2,227	3,560	4,000
Health and Welfare										
Veterans Claims Filed	7,300	7,318	7,438	8,505	8,038	9,215	9,215	10,254	10,688	11,168
Economic Development										
Number of New Companies Relocating to Charleston	1	6	1	4	5	1	4	0	1	3
Number of New Jobs From Relocating Companies	210	888	10	1,767	328	25	390	0	30	120
Number of Expanding Employers in Charleston	1	4	0	1	2	3	1	3	3	4
Number of Jobs Resulting from Expansion	15	141	0	180	300	268	30	320	4,275	323
Culture & Recreation										
Library Visits Per Capita	5.00	5.26	5.50	5.60	6.21	6.38	6.66	6.99	7.01	7.08
Library Cards In Use	265,955	309,033	247,821	277,688	350,320	329,189	355,481	310,417	326,600	329,866
Environmental Management										
Total Tons of Incinerated Waste	220,000	220,000	230,673	222,108	227,383	227,514	211,907	188,626	69,215	n/a
Parking Garages										
Average Operating Revenue Per Space	1,106	1,032	1,124	1,384	1,623	1,777	1,913	2,114	2,043	2,103
Average Operating Expenditure Per Space	781	1,059	1,091	685	945	1,115	984	1,852	1,179	1,118

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Automobiles	56	60	70	77	80	84	91	80	79	92
Buildings	21	21	21	28	28	28	44	97	99	104
Public Safety										
Police Cars	112	149	197	231	290	325	316	332	324	336
Fire Trucks	0	0	6	7	8	11	11	10	10	10
Ambulances	0	0	0	17	23	24	28	22	23	24
Judicial										
Magistrate Courts	13	14	14	14	14	15	15	15	15	15
Public Works										
Paved Streets (in Miles)	0	124	163	186	195	132	129	128	129	129
Ground Equipment	30	31	32	33	43	51	62	60	65	67
Heavy Trucks	17	20	21	21	25	29	35	35	35	35
Environmental Management										
Collection/Refuse Trucks	17	20	23	27	33	37	45	44	48	44
Ground Equipment	10	11	13	13	16	19	24	26	25	26
Culture & Recreation										
Libraries, Main and Branches	16	16	16	16	16	16	16	16	11	11

Note 1. Town of James Island was created in 2007 creating a decrease in county owned infrastructure.

Note 2. Some indicators have been added through the years.

Note 3. There was a review of buildings in fiscal year 2008 that reorganized the buildings and assigned more to the general government.

Note 4. 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)
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
(5) 2011	99	70	86	172

(1) Per residence.

(2) Per unit.

(3) Per property.

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

(5) In 2011 County Council approved a one time \$25.00 credit for all Single Family and Multi-Family Residences.

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

UNAUDITED

Fiscal Year Ended June 30	User Fee Billed	User Fee Revenue	User Fee Applied to Payment of the Disposal Fee	User Fee Applied to Other Purposes	Net Unused User Fee	Year End Working Capital Balance (A)
2011	\$ 23,734,852	\$ 23,737,170	\$ (350,000)	\$ 17,960,181	\$ 6,126,989	\$ 42,618,100
2010	27,815,338	27,111,689	13,772,426	9,992,175	3,347,088	36,491,111
2009	27,398,662	26,708,365	11,676,865	24,631,637	(9,600,137)	33,144,023
2008	26,840,075	26,229,892	10,805,777	11,843,919	4,667,677	42,744,160
2007	23,539,944	23,174,604	10,636,050	10,159,150	2,379,404	38,076,483
2006	23,203,440	21,464,636	9,846,181	21,138,074	(8,759,515)	35,697,079
2005	22,808,943	21,802,327	6,347,904	22,689,167	(7,234,744)	44,456,594
2004	21,547,735	21,321,884	4,868,276	7,286,315	9,167,293	51,691,338
2003	21,093,317	20,689,423	7,006,550	11,517,490	2,165,383	42,524,045
2002	20,135,112	20,212,756	7,936,098	6,939,688	5,336,970	40,358,662

(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	
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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

(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.

The Incinerator was demolished in December 2010.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
MSW Processed (tons)	200,682	209,896	207,249	230,673	225,005	226,163	222,110	203,029	N/A	N/A	N/A
Ash Generated (wet tons)	54,920	55,813	55,013	55,643	55,700	58,557	58,335	50,700	N/A	N/A	N/A
Ash Generation Rate (percent of MSW)	27.4%	26.6%	26.5%	24.1%	24.8%	25.9%	26.3%	25.00%	N/A	N/A	N/A
Boiler Availability (percent of time)											
Unit A	82.4%	80.3%	87.5%	91.5%	89.6%	89.5%	88.6%	83.10%	N/A	N/A	N/A
Unit B	84.5%	81.7%	84.9%	94.5%	89.6%	91.7%	86.0%	81.70%	N/A	N/A	N/A
Facility Utilization (percent of design steaming rate)											
Steam Sales (Mlbs)	84.7%	80.6%	87.2%	95.5%	92.4%	93.9%	91.2%	84.60%	N/A	N/A	N/A
Electricity Sales (MWh)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	N/A	N/A	N/A
	49,908	54,826	66,557	72,767	66,106	69,853	67,027	59,593	N/A	N/A	N/A

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

The Incinerator was demolished in December 2010

**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	\$ 142,887,755	
Total expenditures	\$ 423,606,688	
Requirement is no less than 5 percent		<u>33.73%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 44,442,266	
Total expenditures	\$ 423,606,688	
Requirement is no more than 20 percent		<u>10.49%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 358,268,205	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 154,055,328

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

Estimated costs from Note III.G. on landfill closure	\$ 44,543,005	
Less: Expenditures to date	\$ (22,001,005)	
Restricted assets committed to closure	\$ (4,947,000)	
Balance of closure costs being deferred		<u>\$ 17,595,000</u>
Additional permissible deferred cost		<u>\$ 136,460,328</u>

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