

Lancaster County, South Carolina

Comprehensive Annual Financial Report

For the Year Ended June 30, 2009

***LANCASTER COUNTY,
SOUTH CAROLINA***

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

***For the Fiscal Year Ended
June 30, 2009***

Issued By
Lancaster County Finance Department

**LANCASTER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2009**

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INTRODUCTORY SECTION



Lancaster County

P.O. Box 1809
101 N. Main St.
Lancaster, SC 29721

Telephone:
803-285-1565

November 20, 2009

To the Chairman, Members of County Council, and Citizens of Lancaster County:

The South Carolina Code of Laws requires an annual audit of the financial records and transactions of the County by independent certified public accountants. In compliance with that requirement, we herewith issue the comprehensive annual financial report of Lancaster County, South Carolina, for the year ended June 30, 2009.

The report consists of management's representations concerning the County's finances. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented herein. To provide a reasonable basis for making these assertions, management, including County Council, has established an internal control structure designed to protect the County's assets from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The accounting firm of McAbee, Talbert, Halliday, & Co. was selected by the County Council to conduct an audit of the accompanying financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lancaster County for the fiscal year ended June 30, 2009, are free of material misstatements. 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 reasonable basis for rendering an unqualified opinion on the County's financial statement for the year ended June 30, 2009. The independent auditor's report is included at the beginning of the financial section of this report.

In addition to meeting the South Carolina statutory requirements, the audit of the financial statements was designed to meet the federally mandated

requirements of the Single Audit Act, as amended by the Single Audit Act of 1996, and the U.S. Office of Management and Budget's Circular A-133. These standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements applicable to the administration of federal grants. This fiscal year, the County did not meet the threshold for a Single Audit to be performed.

Generally accepted accounting principles require that management provide Management's Discussion and Analysis (MD&A), which is a narrative introduction, overview, and analysis of the accompanying basic financial statements. This letter of transmittal is designed to complement the MD&A which immediately follows the report of the independent auditor in the financial sections.

PROFILE OF THE GOVERNMENT

Lancaster County, South Carolina is located in the north central section of the State, and is bounded on the west by the Catawba River and Sugar Creek, on the east by Lynches River, on the South by Kershaw County, and on the north by Mecklenburg and Union counties of North Carolina. The County was established in 1785. The County includes three incorporated municipalities: Lancaster, Kershaw, and Heath Springs. The City of Lancaster, the county seat, is located 37 miles south of Charlotte, North Carolina and 60 miles north of Columbia, South Carolina, the state capital.

The industrial base of Lancaster County has changed from textiles to a diverse array of industries. Springs Global, a global textile home furnishings company, closed its doors but keeps a distribution center in Lancaster and is a principal property tax payer. Major industries include: Duracell USA, a leading energy company and one of the world's leading manufacturers of high-performance alkaline batteries and Cardinal Health, a global healthcare products and services company, which employs about 700 employees. Springs Memorial Hospital is also one of the ten highest taxpayers and employs 712. The County has a two-year university, the University of South Carolina at Lancaster, with an approximate enrollment of 1900 students. The university hopes to become a four-year college in the near future.

Lancaster County operates under the Council-Administrator form of government. The County Council is comprised of seven single member districts. The Council bi-annually elects one member to serve as Chairman, one member to serve as Vice-Chairman, and one member to serve as Secretary. County Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the Administrator. Council members, who are elected on a bi-partisan basis, serve four-year terms.

The County provides a number of services, primarily to residents of its unincorporated areas. These services include law enforcement, emergency medical services, fire protection, and administration of justice. The County also provides a variety of administrative services to all residents. These services include voter registration, tax assessment and collection, and health and welfare services. In addition, the County is financially accountable for the County Library, County Recreation and County Airport, all of which are reported as special revenue funds in the financial statements.

Lancaster County government strives to maintain financial integrity and accountability in budgetary and internal controls. The objective of these controls is to ensure compliance with legal provisions contained in the annual budget approved by County Council and ensure fiscal accountability to its citizens.

Each year, the budget process requires all County departments and agencies to submit requests for appropriations to the County Administrator. On the basis of the requests, the Finance Director prepares a draft budget. The proposed budget is presented to the County Council for review and approval. The Council holds three readings, a public hearing and adopts the budget no later than June 30.

The appropriated budget is prepared by fund and function. County department heads may make certain transfers of appropriations within their own departmental budgets without approval of Council, and the County Administrator may make certain transfers between departments without approval of Council. The legal level of budgetary control is the fund level.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general and major special revenue funds, this comparison is presented on pages 48 through 50 as part of the basic financial statements. Other special revenue funds budget-to-actual comparisons are presented as supplementary information on pages 56 through 64. For the debt service fund and the general capital projects fund, the comparisons are presented on page 67 and page 70.

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy

Lancaster County's close proximity to the Mecklenburg County, the Charlotte Douglas International Airport and Interstate 485 makes it an ideal place to work and live. The County has experienced some downturn in the residential market during the past year but the commercial market has remained stable. As stated earlier, the industrial base of Lancaster County has changed from textiles to a diverse array of industries and a number of global corporations

have made Lancaster their new home. The following is a list of some of the new commercial developments & corporations recently locating in Lancaster County:

Red Ventures, an internet marketing and sales company that acquires new customers on behalf of leading brands in a variety of markets, has announced to locate its headquarters in the northern end of the County. The company plans to invest more than \$20 million and generate 1,000 new jobs over the next five to seven years.

Continental Tire relocated its headquarters from Charlotte, North Carolina to Lancaster. The 75,000 square foot building will house the company's passenger and light truck tire group, as well as its commercial tire group.

Romarco Minerals, Inc. of Canada is planning to build a \$100 million mine at the County's Haile Gold mine site which is 1700 acres located in the southern portion of the County. The company is expected to employ 130 workers and will begin construction in 2010. Romarco Minerals is one of the leading gold development companies in the Country and the Haile Gold Mine is its flagship project.

Wal-Mart, Inc. purchased 45 acres in the County's northern community. The global company plans to build a 186,700 square foot super store with additional parcels located around the store. Construction will be completed in 2010 and the company will employ 150-200.

Long-term Financial Planning

The County played an integral part in creating two industrial parks in its rural southern end. The County contributed \$300,000 and also received a \$350,000 grant from the State for infrastructure for the Heath Springs Industrial Park. County Council also agreed to contribute \$400,000 for the Kershaw Industrial Park to clear land & build roads. The Kershaw Park has close proximity to Interstate 20 in Camden, SC. These two endeavors will develop infrastructure needed to attract new industries to these under developed areas, provide jobs, and increase the County's tax base.

Relevant financial policies

Cash temporarily idle during the year was invested in demand deposits, direct obligations of the United States Treasury, and repurchase agreements. It is the County's policy to minimize market risk while maintaining the highest possible yield. Investments are currently held in the South Carolina Local Government Investment Pool of the State Treasurer.

Major Initiatives

The County partnered with York Technical College, SC OneStop Office, and the Workforce Investment Act Board to create a call center training program. The program will not only attract Call Centers to the County, but will also provide new employment opportunities for residents who have lost their jobs due to layoffs or closures. The County provided funding of \$75,000 for the program to assist with utilizing a building to house the program.

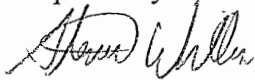
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster County for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2008. This is the tenth consecutive year the County has received this award. In order to be awarded a Certificate of Achievement, Lancaster County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff, as well as the staffs of the County Auditor's Office and the County Treasurer's Office. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council has been instrumental in the development of this report. We would also like to thank the accounting firm of McAbee, Talbert, Halliday, & Co., for their assistance with this project.

Respectfully submitted,



Steve Willis

County Administrator



Veronica C. Thompson

Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Lancaster
South Carolina

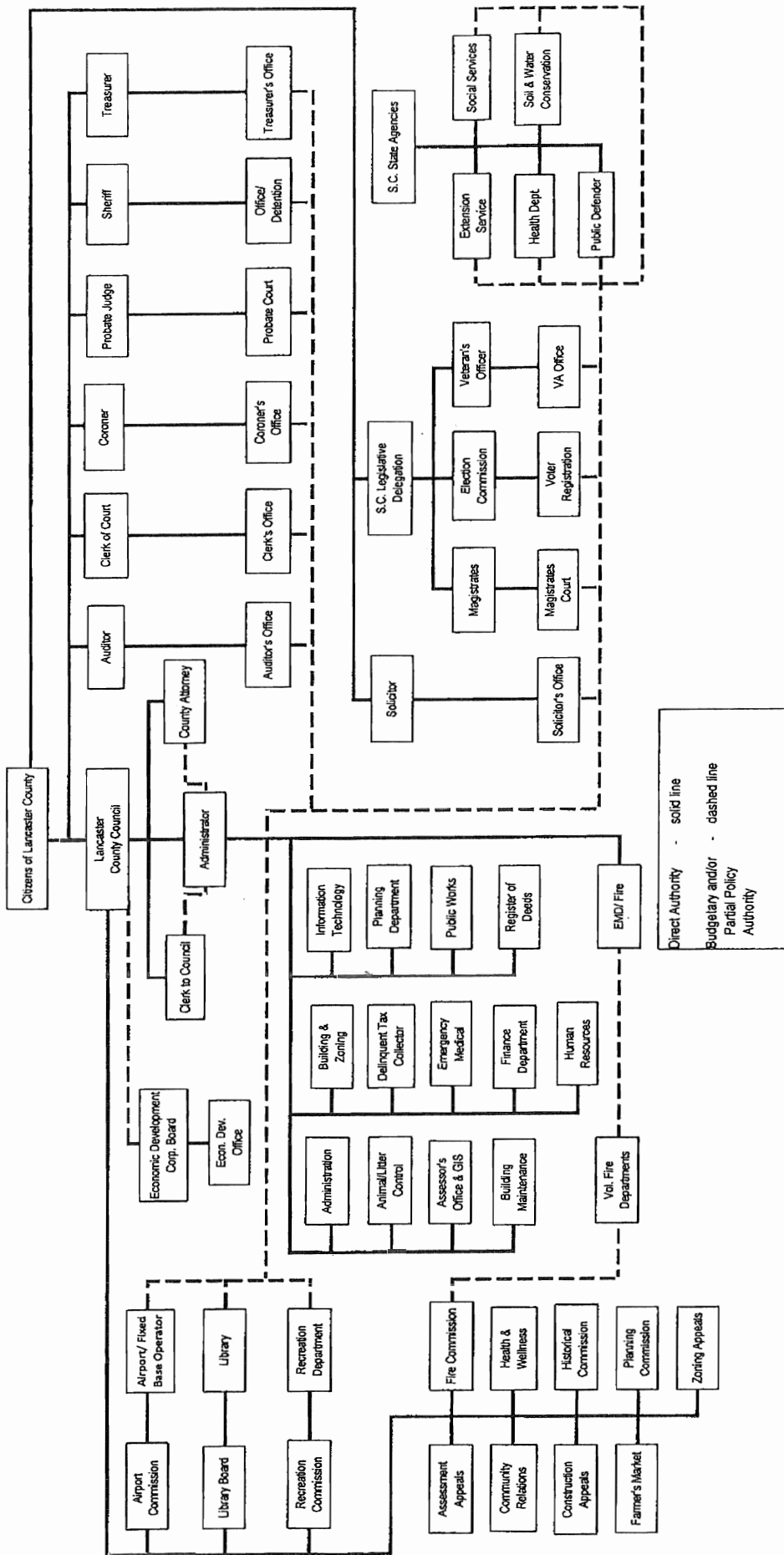
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



President

Executive Director



LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2009

MEMBERS OF COUNTY COUNCIL

Rudy Carter, District 5, Chair
Larry Honeycutt, District 4, Vice-Chair
Kathy Sistare, District 7, Secretary
Larry McCullough, District 1, Member
Charlene McGriff, District 2, Member
D. W. "Cotton" Cole, District 3, Member
Jack Estridge, District 6, Member

ELECTED OFFICIALS

Richard Rowell, Treasurer
Barry Faile, Sheriff
Sandra Estridge, Probate Judge
Jeff Hammond, Clerk of Court
Cheryl Morgan, Auditor
Michael Morris, Coroner

ADMINISTRATIVE OFFICIALS

Steve Willis, County Administrator
Veronica C. Thompson, Finance Director
Irene Plyler, Clerk to Council

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Lancaster County Council
Lancaster County
Lancaster, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina (the County), as of , and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information and supplementary information required by the State of South Carolina as listed in the table of contents, the introductory section, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The other supplementary information and supplementary information required by the State of South Carolina as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Spartanburg, South Carolina
November 20, 2009

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

As management of Lancaster County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Lancaster County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal beginning on page 1 and the County's financial statements.

Financial Highlights

- Lancaster County's assets exceeded its liabilities at the close of the most recent fiscal year by \$52,784,169 in the Statement of Net Assets. Of that amount, \$21,506,800 was available to meet ongoing obligations.
- At the close of the last fiscal year, the County's combined governmental funds reported ending fund balances of \$65,419,929 an increase of \$21,121,539 from the prior year.
- At June 30, 2009, unreserved fund balance for the General Fund was \$15,461,511 which is 51 percent of total general fund expenditures.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to Lancaster County's basic financial statements as they are presented in the new format. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements consist of a statement of net assets and a statement of activities, which report information about the overall financial position and activities of Lancaster County government as a whole.

The *statement of activities* presents information on how the County's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The focus of the statement of activities is on the net cost of activities provided by the County.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

The *statement of net assets* presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. One can think of the County's net assets as a way a measure of financial health. Over time, increases or decreases in the County's net assets are one indicator of whether financial health is improving or deteriorating.

The government-wide financial statements includes not only information about the County itself (known as the primary government), but also one blended component unit, the SCAGO Public Facilities Corporation for Lancaster County. The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements

The fund financial statements provide more detailed information about the County's most significant funds. 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. Lancaster County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for the County's general government activities. Unlike the government-wide financial statements, governmental fund financial statements are reported using current financial resources. Revenues are recognized to the degree that they are available to finance expenditures of the fiscal period being reported.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information provided for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances are accompanied by a reconciliation that facilitates this comparison.

The County maintains twenty-four individual governmental funds. The general fund, which is considered to be a major fund, accounts for all financial resources except those required to be accounted for in another fund. The Edgewater II District and SCAGO Public Facilities Corporation funds, used to account for revenue bonds, are major capital projects funds. The Transportation fund, which accounts for expenditures of gas tax funds on road construction, is also considered to be a major fund. The County's remaining twenty funds, (6) capital projects funds, (12) special revenue funds, and (2) debt service funds, are presented as non-major funds.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

Lancaster County adopts an annual appropriated budget for its general, debt service and special revenue funds. Project length budgets are adopted for the capital projects fund. Budgetary comparison statements have been provided for the general fund and the special revenue fund as required supplementary information. Budgetary comparisons for the debt service and capital projects funds are included as other supplementary information.

The governmental fund financial statements can be found on pages 24 through 27 of this report.

Fiduciary funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements. The statement of fiduciary fund net assets can be found on page 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and government fund financial statements. The notes to the financial statements begin on page 29.

Other information. To facilitate analysis, in addition to the basic financial statements and accompanying notes, this report presents the previously mentioned budgetary comparisons for the debt service and capital projects funds, a combining schedule of changes in agency fund net assets, information about the County's capital assets, and a schedule required by state law applicable to expenditures on behalf of victims of crime. This supplementary information begins on page 46.

Government-wide Financial Analysis

As noted earlier, the statement of net assets presents the difference between the County's assets and liabilities and, over time may serve as an indicator of its financial position. In the case of Lancaster County, assets exceeded liabilities by \$52,784,169 at the close of the most recent fiscal year.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

The following table presents a summary of the statement of net assets as of June 30, 2009:

Lancaster County's Net Assets		
	<u>Governmental Activities</u>	
	<u>FY 2009</u>	<u>FY 2008</u>
Current and other assets	\$ 73,732,725	\$ 51,724,782
Capital assets	45,389,006	35,446,064
Total assets	119,121,731	87,170,846
Long-term liabilities outstanding	62,539,054	22,464,024
Other liabilities	3,798,508	3,822,970
Total liabilities	66,337,562	26,286,994
Net assets:		
Invested in capital assets, net related of debt	27,608,973	18,128,925
Restricted	3,668,396	3,557,298
Unrestricted	21,506,800	39,197,629
Total net assets	\$ 52,784,169	\$ 60,883,852

By far the largest portion (52%) of Lancaster County's **net assets** is invested in capital assets less any related outstanding debt which was used to acquire those assets. The County's unrestricted net assets decreased partly due to the issuance of additional long-term debt pertaining to Installment Purchase Revenue Bonds of \$38,410,000. The debt is used to build the County's new Justice Center (Courthouse) and will be repaid with Capital Project Sales Tax Revenue. The net assets invested in capital assets increased by \$9,691,299, due to the unspent bond proceeds.

The restricted portion of Lancaster County's net assets (7%) represents resources that are subject to external restrictions on their use such as funds for property tax reduction and transportation funds. A portion of the County's net assets (41%) reflect unrestricted assets. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

The table below summarizes the change in net assets for the County for the year ended June 30, 2009:

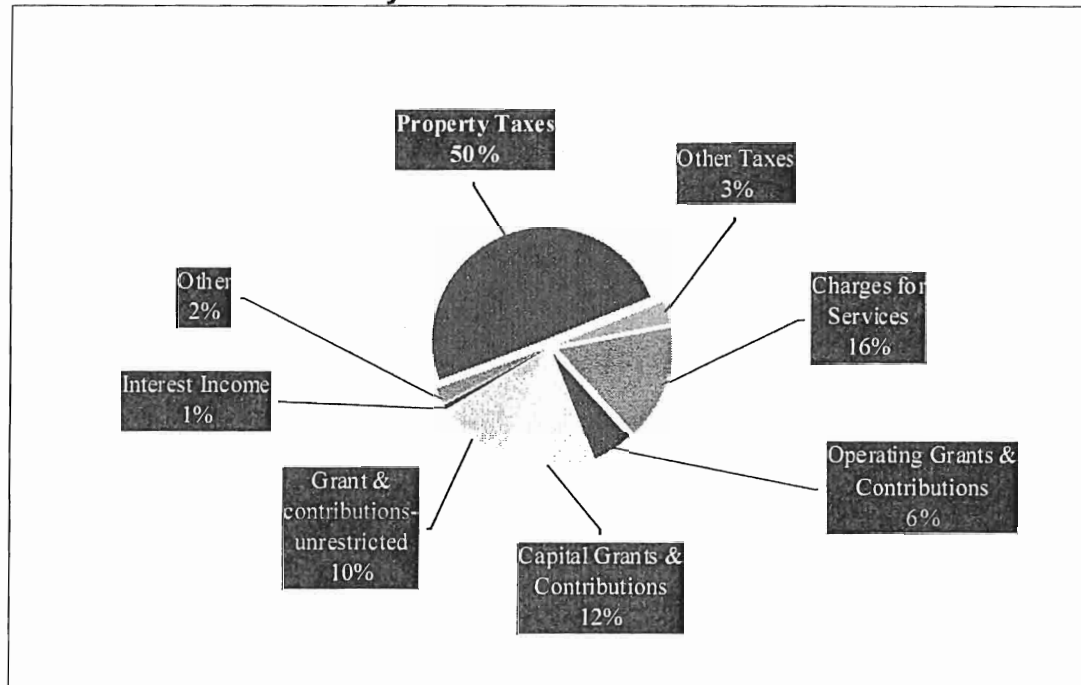
Lancaster County's Changes in Net Assets			
	<u>Governmental Activities</u>		
	FY 2009	FY 2008	
Revenues:			
Program Revenues:			
Charges for services	\$ 7,486,108	\$ 9,605,172	
Operating grants & contributions	2,775,364	31,083,768	
Capital grants & contributions	5,555,897	832,855	
General Revenues:			
Property taxes	23,375,134	19,646,513	
Other taxes & licenses	1,482,296	1,387,257	
Unrestricted grants & contributions	4,492,562	4,510,153	
Unrestricted interest income	374,332	1,254,997	
Other	1,033,880	500,844	
Total revenues	46,575,573	68,821,559	
Expenses:			
General government	11,004,706	9,641,480	
Administration of justice	1,705,545	1,609,235	
Public safety and law enforcement	10,747,904	10,108,792	
Public works	6,050,232	7,463,470	
Public health & welfare	5,352,189	4,572,280	
Economic development	14,662,127	17,426,731	
Culture & recreation	3,879,845	1,633,576	
Interest on long-term debt	1,272,708	670,439	
Total expenses	54,675,256	53,126,003	
Increase (Decrease) in net assets	(8,099,683)	15,695,556	
Net assets- beginning of year (restated)	60,883,852	45,188,296	
Net assets- end of year	\$ 52,784,169	\$ 60,883,852	

For fiscal year 2009, the government's net assets decreased by \$8,099,683. A large decrease in **operating grants & contributions** was a factor in the net assets decreasing. Last fiscal year, the County issued revenue bond proceeds of \$26 million for a development project. This year the activity in this category remained constant.

Property tax was the largest stream of revenue at 50% of total revenues. Included in this figure was ad valorem taxes of \$11,172,390 and local option sales tax, most of which is used to reduce property tax, totaled \$3,774,249. The County also added a special millage levied for Court Security which collected about \$900,000.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

Revenues by Source – Government Activities



Although the cost of all governmental activities for the County remained constant (\$54,675,256), there were some differences in individual expense groups. General government increased partly due to spending \$432,215 to satisfy an energy management contract. Also, the County expended \$310,352 to match various grants during the year.

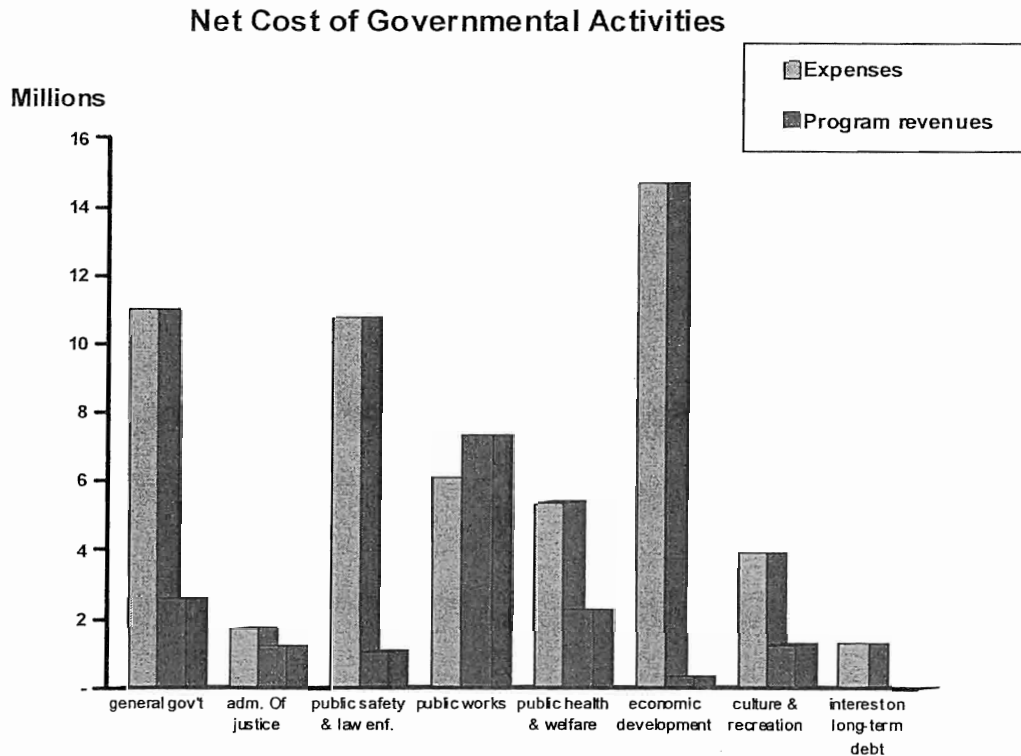
Providing activities for **public safety and law enforcement** expenses continues to increase every year. The County addressed issues regarding the lack of adequate Court Security. An issue that was brought to the forefront after the County's Courthouse was intentionally set on fire. As stated earlier, Council levied a special millage to staff eighteen sheriff's deputies assigned to serve and protect the court system. This endeavor led to an increase in the public safety and law enforcement expense of the County.

The government increased in the **culture and recreation** expense by \$2,246,269. Included in the increase was start up costs for equipping and staffing a new Library and staffing and operating a new Recreation center. The County also recorded a \$365,174 loss on assets due to a development ceasing construction because of the economy. The decrease in the **Public Works** expenses was attributed to the no excess from building permit fees to repair and patch roads as was in the prior fiscal year.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

The chart below represents the net cost of the County's governmental activities:



Financial Analysis of the County's Funds

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

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

The general fund is the major governmental fund of the County. At the end of the fiscal year, Lancaster County reported an unreserved fund balance of \$15,461,511 in the General Fund, an increase of \$1,788,768 from last fiscal year. The County continues to maintain a healthy fund balance during the recession due to conservatively estimating revenues and controlled spending. When the economy improves, the County hopes to use some fund balance for one time expenditures. Total fund balance of all the governmental funds reached \$65,419,929. The transportation fund, the government's major special revenue fund, has seen an increase in fund

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

balance of \$561,222. The Transportation Committee delayed some paving due to rising asphalt costs during the fiscal year.

General Fund Budgetary Highlights

A budgetary comparison schedule is included for the general fund on pages 46-47. Actual revenues exceeded expenditure amounts by \$300,631. Actual revenues were below budgetary estimates by \$809,745 and actual expenditures did not exceed budgetary appropriations by \$1,843,631. The County was able to curtail spending by leaving vacant positions unfilled due to the revenues coming under budget. The County also transferred \$2,437,723 from the General Fund to provide funding for the following:

- \$1,134,158 to fund the Library's employees, benefits, & some operating costs;
- \$831,327 to help fund the Recreation Fund;
- Support for the Airport operations of \$38,739;
- \$200,000 to the Pleasant Valley Fire District to purchase property;
- \$233,587 to help fund one time costs for equipping the new Court Security operations.

Significant variances between final budgets to actual amounts for revenues include:

- **Property taxes-** FILOTs, Delinquent Taxes and Manufacturer Reimbursement collected below estimates;
- **Licenses and permits-** Building permits declined due to the economy and resulted in negative variance of \$478,263. All other revenues in this category were above estimates which caused a net negative variance of \$279,867. Also, register of deeds fees collected were \$435,799 higher than estimated;
- **Investment earnings** collected were well less than estimated (\$207,041) due to the down turn in the economy;
- **Charges for services** had a positive variance of \$195,041 partly due to ambulance charges, delinquent tax costs, and probate costs of court exceeding estimates.

Significant variances between final budgets and actual amounts for expenditures were:

- **Public Safety** (Detention Center)- Although this budget was increased to add FTEs in FY07 & FY08, the turnover in this department caused a shortage in FTEs;
- **General Government** – Expenditures were below appropriations due to an across the board cut (\$136,628) because of reduction in State Aid. Also, the budget included a contingency line item of \$250,000 of which only \$113,372 was expended. There were also a few vacancies in the Planning, Vehicle Garage and Building & Zoning Departments that were not filled.
- **Economic Development-** Council approved \$400,000 for funding the Kershaw Industrial Park. The negative variance reflects some of those expenditures;
- **Public Works-** A dump truck that was encumbered (\$140,000), was carried forward to FY10.

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

There were significant differences between the original and final budgets due to the following:

- \$762,204 supplemental appropriation to ad valorem property tax estimates. The County was waiting for State legislation to pass before the Assessor's office could finalize the assessed values. State law requires the budget to be finalized by June 30th, the assessed values were finalized after June 30th;
- \$100,000 to bring employees to minimum salary levels in accordance with the County's compensation study;
- \$800,000 to purchase a building to relocate Courts after the Courthouse fire;
- \$45,940 to provide additional funding to York Technical College;
- \$101,821 to cover miscellaneous expenditures pertaining to Courthouse fire that are not reimbursed by insurance;
- \$25,000 to purchase vehicle for Coroner's office;
- \$45,000 for Sheriff to purchase a vehicle tracking system;
- \$36,000 to help fund appliances and improvements to the Detention Center;
- \$30,000 annual radio and battery change outs for Emergency Management & Fire;
- \$600,519 to purchase ambulances paid from lease proceeds;
- \$26,500 computer license and auto pulse for EMS;
- \$28,000 service truck for Vehicle Maintenance garage;
- \$67,200 improvements and equipment for Building Maintenance;
- \$140,000 to acquire roll-off truck for Public Works;
- \$20,000 building improvements for Animal Control.

There were also a number of other insignificant changes. The County was able to use fund balance and additional anticipated revenue to fund these changes.

Capital Assets

Lancaster County's investment in capital assets for its governmental activities as of June 30, 2009, totaled \$45,389,006, net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment. The roads, highways and bridges (i.e., infrastructure assets) added during the fiscal year are also included. The total increase of Lancaster County's investment in capital assets was 22% from last fiscal year.

Lancaster County's Capital Assets (net of depreciation)		
	<u>Governmental Activities</u>	
	<u>FY 2009</u>	<u>FY 2008</u>
Land	\$ 4,168,845	\$ 3,590,245
Buildings & Improvements	17,576,957	14,246,008
Vehicles	8,803,006	6,976,171
Furniture & Equipment	4,921,426	4,858,333
Infrastructure	8,294,462	3,584,112
Construction in Progress	1,624,310	2,191,195
Total	<u>\$ 45,389,006</u>	<u>\$ 35,446,064</u>

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis

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

- \$853,408 restoration expenditures for the Old Courthouse;
- \$599,619- three ambulances;
- \$1,618,667 for the construction of the Del Webb Library;
- \$930,695 to purchase and upgrade the temporary Courthouse building;
- \$1,181,555 to construct and equip the Buford Recreation Center;
- \$589,946- Public Works equipment;
- The Roads and Bridges department purchased \$694,099 of heavy equipment & vehicles. A General obligations bond funded \$538,598 of this amount ;
- The Sheriff department purchased vehicles in the amount of \$644,869. Of this amount twelve vehicles (\$338,148) were procured from the Court Security Fund;
- \$165,361 to add or upgrade security in all the buildings;
- The County began designing & grading work for the New Justice Center at a cost of \$1,186,090;
- Infrastructure added this fiscal year included \$4,919,337 of roads accepted by Council from various subdivisions and roads paved of \$290,783.

Additional information on the County's capital assets can be found in note 3. C beginning on page 36.

Debt Administration

The legal limit on the amount of general obligation bonded indebtedness that the County can incur is 8% of assessed value. At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$62,539,054. General obligation bonds constituted 24% (\$14,764,408) of long-term debt and are backed by the full faith and credit of the government.

Lancaster County's Outstanding Debt
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>	
	FY 2009	FY 2008
General Obligation Bonds	\$ 14,764,408	\$ 15,737,402
Special Source Revenue Bonds	2,973,658	2,973,658
SCAGO PFC Installment Purchase RB	38,410,000	-
Total	<u>\$ 56,148,066</u>	<u>\$ 18,711,060</u>

Lancaster County's total long-term debt increased by \$40,075,030 during the current fiscal year partly due to issuance of additional debt (\$38,410,000) for the purpose of acquiring, constructing, and equipping a new Justice Center (courthouse). The debt was issued by the South Association

LANCASTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis

of Government Officials for Lancaster County pursuant to an Installment Purchase and Use Agreement.

The County currently has ratings of A and A2 from Standard & Poor's Corporation and Moody's Investors Service, respectively, on general obligation bond issues. Additional information on the County's long-term debt can be found in notes 3. F on pages 38 through 43 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

- The unemployment rate for Lancaster County was at a current level of 19.1% in June 2009. Statewide unemployment was 12.1%, while the national average was 9.5% during the same period.
- Sales tax receipts for fiscal year 2009 were a slightly lower (\$155,400) than fiscal year 2008 for the unincorporated areas of the County.
- In order to comply with GASB 45, the Annual Required Contribution for FY10 was determined to be \$255,185 which is included in the budget.
- The Cost-of-Living Adjustment was not appropriated in the FY10 budget and vacant positions were not filled. The County did though, add two new positions: Accountant II and Deputy County Administrator. A County Welcome Center employee was also added but is partially paid by funds from the Local Accommodations Tax Fund.
- The County's aid from the State of South Carolina was reduced by \$636,815 due to the State's budget shortages.
- Any capital asset purchase, such as \$300,000 to purchase 10 police vehicles, is now appropriated in the Capital Equipment Replacement Fund which has a separate tax levy.
- \$235,000 for increase in Solid Waste disposal costs.
- An additional \$29,778 to help fund a full year for the new Del Web Library.

In order to maintain the County's net assets and fund balances at current levels in the face of increased demand for services, County Council adopted a budget for fiscal year 2010 which includes 66.70 mills. County Council also adopted 4.0 mills for capital replacement needs, 6.70 mills for debt service, and 3.50 mills for Court Security.

Requests for Information

This financial report is designed to provide a general overview of Lancaster County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to *Finance Director, Lancaster County, P O Box 1809, Lancaster, SC 29721.*

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 7,743,919
Investments	56,734,884
Taxes receivable, net	1,211,125
Other receivables, net	3,668,116
Due from other governmental agencies	2,602,303
Inventories	62,840
Prepaid items	22,427
Bond issue costs, net of amortization	1,019,655
Land held for resale	667,456
Capital assets not being depreciated	5,793,155
Capital assets being depreciated, net of accumulated depreciation	39,595,851
	<u>\$ 119,121,731</u>
Liabilities	
Accounts payable and other current liabilities	\$ 3,045,828
Other post-employment benefit obligation	146,543
Accrued interest payable	441,552
Unearned revenue	164,585
Non-current liabilities:	
Due within one year	2,653,840
Due in more than one year	59,885,214
Total liabilities	<u>66,337,562</u>
Net Assets	
Invested in capital assets, net of related debt	
Restricted for:	27,608,973
Capital projects	182,444
Property tax reduction	710,105
Public safety	62,977
Public works	1,901,199
Public health and welfare	255,950
Debt service	555,721
Unrestricted	21,506,800
Total net assets	<u>52,784,169</u>
	<u>\$ 119,121,731</u>

The accompanying notes are an integral part of these statements.

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

Functions/Programs	Program Revenue				Net (Expense)
					Revenue and Changes
					In Net Assets
					Primary Government
	Expenses	Charges for	Operating	Capital Grants	
		Services	Grants and	and	
			Contributions	Contributions	Governmental Activities
Primary government					
Governmental Activities					
General government	\$ 11,004,706	\$ 2,521,991	\$ 33,456	\$ -	\$ (8,449,259)
Administration of justice	1,705,545	1,198,420	4,865	-	(502,260)
Public safety and law enforcement	10,747,904	490,569	535,346	-	(9,721,989)
Public works	6,050,232	227,720	1,664,863	5,404,740	1,247,091
Public health and welfare	5,352,189	2,191,295	19,504	-	(3,141,390)
Economic development	14,662,127	-	298,762	-	(14,363,365)
Culture and recreation	3,879,845	856,113	218,568	151,157	(2,654,007)
Interest on long-term debt	1,272,708	-	-	-	(1,272,708)
Total primary government	<u>\$ 54,675,256</u>	<u>\$ 7,486,108</u>	<u>\$ 2,775,364</u>	<u>\$ 5,555,897</u>	<u>(38,857,887)</u>
Taxes:					
Property taxes, levied for general purposes					18,930,106
Property taxes, levied for debt service					2,469,722
Property taxes, levied for court mandated security					894,645
Property taxes, levied for equipment replacement					1,080,661
Other taxes and licenses					1,482,296
Grants and contributions not restricted to specific programs					4,492,562
Unrestricted investment earnings					374,332
Miscellaneous					327,556
Extraordinary item - insurance recoveries, net of impairment loss					706,324
Total general revenues, special items, and transfers					<u>30,758,204</u>
Change in net assets					(8,099,683)
Net assets - beginning of year					<u>60,883,852</u>
Net assets - end of year					<u>\$ 52,784,169</u>

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

LANCASTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Transportation	Edgewater II District Fund	Capital Projects Fund - SCAGO Public Facilities Corporation	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,403,157	\$ -	\$ -	\$ -	\$ 1,340,766	\$ 7,743,923
Investments	11,436,180	-	4,083,012	33,641,912	7,573,780	56,734,884
Taxes receivable, net	67,084	-	-	-	19,594	86,678
Due from other funds	2,722,662	1,797,446	-	-	900,632	5,420,740
Due from other governments	1,766,160	103,753	-	-	653,744	2,523,657
Other receivables	563,839	-	-	-	164,274	728,113
Land held for resale	667,456	-	-	-	-	667,456
Inventories	62,840	-	-	-	-	62,840
Prepaid items	22,427	-	-	-	-	22,427
	<u>\$ 23,711,805</u>	<u>\$ 1,901,199</u>	<u>\$ 4,083,012</u>	<u>\$ 33,641,912</u>	<u>\$ 10,652,790</u>	<u>\$ 73,990,718</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,577,711	\$ -	\$ -	\$ -	\$ 40,108	\$ 2,617,819
Accrued wages payable	413,208	-	-	-	-	413,208
Due to other funds	2,698,078	-	-	1,224,112	1,498,550	5,420,740
Deferred revenue	110,996	-	-	-	8,026	119,022
	<u>5,799,993</u>	<u>-</u>	<u>-</u>	<u>1,224,112</u>	<u>1,546,684</u>	<u>8,570,789</u>
Fund Balances:						
Reserved for:						
Land held for resale	667,456	-	-	-	-	667,456
Inventories	62,840	-	-	-	-	62,840
Encumbrances	237,433	-	-	-	44,861	282,294
Prepaid expenses	22,427	-	-	-	-	22,427
Property tax reduction	710,105	-	-	-	-	710,105
DSS IV-D Incentive	255,950	-	-	-	-	255,950
Victim assistance	14,540	-	-	-	-	14,540
Drug task force	48,437	-	-	-	-	48,437
Debt service	-	-	-	-	5,155,225	5,155,225
Capital projects	-	-	-	-	182,444	182,444
Economic development	341,269	-	-	-	-	341,269
Other post-employment benefits	89,844	-	-	-	-	89,844
Unreserved, reported in non-major:						
General fund	15,461,511	-	-	-	-	15,461,511
Special revenue funds	-	1,901,199	-	-	1,282,889	3,184,088
Capital projects funds	-	-	4,083,012	32,417,800	2,440,687	38,941,499
	<u>17,911,812</u>	<u>1,901,199</u>	<u>4,083,012</u>	<u>32,417,800</u>	<u>9,106,106</u>	<u>65,419,929</u>
	<u>\$ 23,711,805</u>	<u>\$ 1,901,199</u>	<u>\$ 4,083,012</u>	<u>\$ 33,641,912</u>	<u>\$ 10,652,790</u>	<u>\$ 73,990,718</u>

The accompanying notes are an integral part of these statements.

LANCASTER COUNTY, SOUTH CAROLINA
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
 NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2009

Total Governmental Fund Balances	\$ 65,419,929
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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.	45,389,006
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Taxes receivable	1,078,884
Other receivables	3,018,649
Bond issue costs	1,019,655

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

Accrued interest payable	(441,552)
Accounts payable	(14,805)
Other post-employments benefit liability	(146,543)
Long-term debt	<u>(62,539,054)</u>

Net Assets of Governmental Activities	<u>\$ 52,784,169</u>
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The accompanying notes are an integral part of these statements.

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

	General Fund	Transportation	Edgewater II District Fund	Capital Projects Fund - SCAGO Public Facilities Corporation	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$18,511,312	\$ -	\$ -	\$ -	\$ 4,295,932	\$ 22,807,244
Other taxes	959,633	-	-	-	522,664	1,482,297
Intergovernmental	3,885,211	1,319,856	-	-	1,575,645	6,780,712
Licenses and permits	2,727,033	-	-	-	-	2,727,033
Charges for services	2,638,151	-	-	-	1,176,270	3,814,421
Fees and fines	914,503	-	-	-	49,879	964,382
Contributions and donations	421,497	-	-	-	46,674	468,171
Contributions from property owners	-	-	16,254	-	-	16,254
Rent income	-	-	-	-	51,968	51,968
Investment earnings	165,524	5,543	121,489	28,889	62,330	383,775
Miscellaneous	111,477	-	-	-	-	111,477
Total revenues	30,334,341	1,325,399	137,743	28,889	7,781,362	39,607,734
Expenditures						
Current						
General government	10,019,189	-	-	-	897,405	10,916,594
Administration of justice	1,471,056	-	-	2,156,560	1,040,222	4,667,838
Public safety and law enforcement	8,360,088	-	-	-	3,976,969	12,337,057
Public works	4,011,450	764,177	-	-	663,274	5,438,901
Public health and welfare	5,500,232	-	-	-	23,132	5,523,364
Economic development	430,948	-	10,234,921	-	3,981,616	14,647,485
Culture and recreation	-	-	-	-	4,570,651	4,570,651
Debt service						
Principal	212,691	-	-	-	1,791,886	2,004,577
Interest and other charges	28,056	-	-	-	1,342,938	1,370,994
Total expenditures	30,033,710	764,177	10,234,921	2,156,560	18,288,093	61,477,461
Excess (deficiency) of revenues over (under) expenditures	300,631	561,222	(10,097,178)	(2,127,671)	(10,506,731)	(21,869,727)
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	33,271,865	9,768,135	43,040,000
Other financing source - premium	-	-	-	1,273,606	29,301	1,302,907
Payment to refunded debt escrow agent	-	-	-	-	(4,556,438)	(4,556,438)
Proceeds from capital leases	2,338,851	-	-	-	-	2,338,851
Proceeds from sale of capital assets	38,549	-	-	-	-	38,549
Transfers in	15,000	-	-	-	2,446,432	2,461,432
Transfers out	(2,437,723)	-	-	-	(23,709)	(2,461,432)
Total other financing sources and	(45,323)	-	-	34,545,471	7,663,721	42,163,869
Extraordinary Item						
Insurance recoveries	-	-	-	-	827,397	827,397
Net Change in Fund Balances	255,308	561,222	(10,097,178)	32,417,800	(2,015,613)	21,121,539
Fund Balances, Beginning of Year	17,656,504	1,339,977	14,180,190	-	11,121,719	44,298,390
Fund Balances, End of Year	\$17,911,812	\$ 1,901,199	\$ 4,083,012	\$ 32,417,800	\$ 9,106,106	\$ 65,419,929

The accompanying notes are an integral part of these statements.

LANCASTER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances - Total Governmental Funds **\$ 21,121,539**

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$8,646,031 exceeded depreciation expense of \$3,368,668 in the current period. 5,277,363

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from sale of assets and the loss on sale. (301,932)

Impairment write-down related to governmental fund capital assets not reported in the governmental funds because the write-down does not consume current financial resources. (612,981)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes	567,890
Other receivables	(328,965)
Donated assets	5,114,594

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (45,378,851)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities

Bond issuance costs	(1,035,311)
Bond premium	1,302,907
Loss on advanced refunding	241,438

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 6,319,577

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (59,608)

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

Landfill closure and postclosure costs	12,890
Amortization expense	(150,234)
Other post-employment liability	(146,543)
Compensated absences	(43,456)

Change in Net Assets of Governmental Activities **\$ (8,099,683)**

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

EXHIBIT E

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	Agency Funds
Assets	
Cash and cash equivalents	\$ 8,270,479
Investments	9,783,362
Property taxes receivable	147,458
Accounts receivable	1,283
	<u>\$ 18,202,582</u>
Liabilities	
Due to other taxing units	\$ 6,798,645
Due to others	11,403,937
	<u>\$ 18,202,582</u>

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

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lancaster County, South Carolina (the County) operates under Home Rule legislation effective July 1, 1976. The County operates under a Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police and judicial), public works (roads and bridges), sanitation, health and welfare, culture-recreation, public improvements, and general administration services.

The County's comprehensive annual financial report includes the accounts of all county operations. The financial statements of Lancaster County, South Carolina, have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

Lancaster County is a corporate government entity incorporated under the South Carolina Home Rule Act and is governed by an elected seven member County Council. These financial statements present the government as required by U.S. generally accepted accounting principles.

The County has one blended component unit, the SCAGO Public Facilities Corporation for Lancaster County (SCAGO PFC), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for the capital projects of the County. The Corporation's board members are appointed by the board of directors of the South Carolina Association of Governmental Organizations. Because the Corporation exclusively benefits the County, the Corporation's financial information is blended with that of the County in these basic financial statements. Separate financial statement information for the Corporation is included in individual columns throughout the financial statements. The Corporation does not issue separate financial statements.

B. Basis of Presentation

Financial statements for governments like that of Lancaster County are presented from two perspectives, the government-wide perspective and the fund perspective.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the County. Net assets are calculated based on information on all the County's assets and liabilities, including property and equipment and long-term debt. As a general rule, the effect of interfund activity, if any, has been removed from the government-wide financial statements. Exceptions to this rule are interfund services provided and used, which are not eliminated during the process of consolidation because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. In these statements, governmental activities, which are normally supported by taxes and intergovernmental revenues, are distinguished from any business type activities in which the government may be engaged and which rely on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses, including depreciation of property and equipment, are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items which are not properly included among program revenues are reported as general revenues.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - continued

Separate fund financial statements are provided for governmental and fiduciary funds, groupings of accounts used to control resources that have been segregated for specific activities or objectives. Major individual governmental funds are reported as separate columns in the fund financial statements. The governmental fund balance sheet includes a reconciliation of the total fund balance for all governmental funds to total net assets of governmental activities reported in the government-wide statement of net assets. In addition, the governmental statement of revenues, expenditures and changes in fund balances also includes a reconciliation of the changes in fund balances of the governmental funds to the government-wide statement of activities.

C. Measurement Focus and Basis of Accounting

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

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

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

The funds of the reporting entity are described below:

Governmental Funds

General Fund - The general fund is the government's primary operating fund and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds accounts for specific revenues that are legally restricted to expenditure for particular purposes. The reporting entity includes one major special revenue fund, the Transportation Fund.

Debt Service Funds - The debt service fund and the SCAGO PFC debt service fund account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds and the SCAGO Public Facilities Corporation of Lancaster County.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

Capital Project Funds - Capital project funds are used to account for the acquisition and construction of major capital facilities. The reporting entity includes two major capital project funds, the Edgewater II District Fund and the SCAGO Public Facilities Corporation Capital Projects Fund.

Fiduciary Funds (not included in the government-wide statements)

Agency funds account for assets held by the County as an agent for other governmental units and courts in accordance with Acts of the General Assembly of South Carolina. The County's fiduciary fund category includes agency funds for education, clerk of court, family court, probate court, property taxes, magistrates and special assessment taxes.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

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

State statutes authorize the primary government and its component units to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool. The State Treasurer's Investment Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Investments are stated at fair value which approximates cost.

Receivables and Payables

Activity 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

In the Statement of Net Assets, accounts receivables are stated net of their allowance for uncollectible amounts. Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, all *unearned revenue* reported in the governmental funds was for grant amounts which were drawn down prior to meeting all eligibility requirements.

Property taxes receivable represents delinquent and unpaid real and personal property tax billings less an allowance for the amounts estimated to be uncollectible.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity - Continued

Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 15. Liens attach to the property at the time the taxes are levied. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

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.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Vehicles	5-15
Furniture and equipment	5-15
Public domain infrastructure	20

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental activities, compensated absences are generally liquidated by the general fund.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives 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.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity - continued

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

Fund Equity

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the debt service fund, and the transportation special revenue fund. When projects are underway, project length budgets are adopted for the capital projects funds. The General Fund, Equipment Replacement Fund, Local Accommodations Tax Fund, Debt Service Fund, Transportation Fund, Pleasant Valley Fire District Fund, E-911 Fund, Recreation Fund, Airport Fund, Library Fund, the Sun City/Belair Special Tax District Fund, Court Mandated Security Fund, and the General Capital Projects Fund have legally adopted budgets. The Restricted Grants Fund budget is approved as grants are awarded and are budgeted on a project basis, therefore, some grants span over several years. All annual appropriations lapse at fiscal year end.

Each year, all County departments submit requests for appropriations to the county finance director. On the basis of the requests, the finance director prepares a draft budget. The proposed budget is presented to the County Council for review and approval. The Council holds public hearings and adopts the budget no later than June 30.

The appropriated budget is prepared by fund, function, and department. County department heads may make certain transfers of appropriations within their own departmental budgets without approval of Council, and the County Administrator may make certain transfers between departments without approval of Council. The legal level of budgetary control is the fund level.

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

**LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

For 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 does not have a policy for custodial credit risk.

As of June 30, 2009, the County's deposits were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Demand deposits	<u>\$ 16,676,740</u>	<u>\$ 16,006,928</u>

Of the County's bank balance, \$2,568,056 was covered by FDIC insurance and \$14,108,684 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Investments

As of June 30, 2009, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
State Treasurer's Investment Pool	\$ 11,436,180	>60 days	Not Rated
First American Treasury Obligations Class Y	7	Daily	Not Rated
First American Government Obligations Class Y	9,229,443	Daily	Not Rated
Wells Fargo Advantage Government Money Market Account	44,482,256	Daily	Not Rated
Robobank Intl Municipal GIC #032106DSR01	<u>1,370,360</u>	12/1/2009	Not Rated
	<u>\$ 66,518,246</u>		

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. It is the County's policy to minimize interest rate while maintaining the highest possible yield.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no formal policy on managing credit risk. The State Treasurer's Investment Pool is not rated, but generally, investments in the State Treasurer's Investment Pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS - Continued

A. Deposits and Investments - continued

Custodial credit risk – 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 investment or collateral securities that are in the possession of an outside party. The County minimizes credit risk by limiting investments to the types of securities allowed by law.

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or investor will be minimized. The County places no limits on the amount that may be invested in any one issuer.

Reconciliation of cash and investments to the Government-wide Statement of Net Assets:

Unrestricted cash, including time deposits	\$ 7,743,918
Investments	56,734,884
Agency fund cash (not included in government-wide statement)	8,270,479
Agency fund investments (not included in government-wide statement)	9,783,362
Less: Petty cash	<u>(7,469)</u>
	<u><u>\$ 82,525,174</u></u>

B. Receivables

Governmental Fund accounts receivable at June 30, 2009 are summarized as follows:

	General	Transportation	Special Revenue	Debt Service	Capital Projects	Total
Receivables						
Taxes	\$ 67,084	\$ -	\$ 9,501	\$ 10,093	\$ -	\$ 86,678
Other receivables	563,839	-	75,232	-	89,042	728,113
Intergovernmental	<u>1,766,160</u>	<u>103,754</u>	<u>653,742</u>	<u>2</u>	<u>-</u>	<u>2,523,658</u>
Net total receivables	<u><u>\$ 2,397,083</u></u>	<u><u>\$ 103,754</u></u>	<u><u>\$ 738,475</u></u>	<u><u>\$ 10,095</u></u>	<u><u>\$ 89,042</u></u>	<u><u>\$ 3,338,449</u></u>

No provision for uncollectible accounts receivable was necessary as of June 30, 2009.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS - Continued

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,590,245	\$ 578,600	\$ -	\$ 4,168,845
Construction in progress	2,191,195	1,624,310	(2,191,195)	1,624,310
Total capital assets not being depreciated	5,781,440	2,202,910	(2,191,195)	5,793,155
Capital assets being depreciated:				
Buildings and improvements	23,775,411	4,611,285	(268,606)	28,118,090
Vehicles	13,807,918	2,976,941	(534,042)	16,250,817
Furniture and equipment	8,325,501	950,564	(103,000)	9,173,065
Infrastructure	7,390,336	5,210,120	-	12,600,456
Total capital assets being depreciated	53,299,166	13,748,910	(905,648)	66,142,428
Less accumulated depreciation for:				
Buildings and improvements	(9,529,403)	(1,020,124)	8,394	(10,541,133)
Vehicles	(6,831,747)	(1,129,053)	512,989	(7,447,811)
Furniture and equipment	(3,467,168)	(866,804)	82,333	(4,251,639)
Infrastructure	(3,806,224)	(499,770)	-	(4,305,994)
Total accumulated depreciation	(23,634,542)	(3,515,751)	603,716	(26,546,577)
Total capital assets being depreciated, net	29,664,624	10,233,159	(301,932)	39,595,851
Governmental activities capital assets, net	\$ 35,446,064	\$ 12,436,069	\$ (2,493,127)	\$ 45,389,006

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government administration	405,184
Administration of justice	39,700
Public safety and law enforcement	1,201,590
Public works, including depreciation of infrastructure assets	1,145,284
Public health and welfare	356,014
Culture and recreation	220,895
Total depreciation expense	\$ 3,368,667

Program expenses include an impairment loss of \$465,898 due to construction stoppage of an EMS substation and recreation park at the Edenmoor development. The loss has been charged to the following functions – public health and welfare \$100,723 and culture and recreation \$365,174.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS - Continued

C. Capital Assets – continued

In August 2008, the Lancaster County Courthouse was destroyed by fire. The Courthouse, a historic building on the National Register, was 180 years old. County Council decided to restore the building. An insurance recovery of \$706,324, net of impairment loss of \$147,084 has been reported as a special item on the statement of activities. In addition, the impairment loss of \$147,084 has been added to the accumulated depreciation for buildings and improvements.

D. Inter-fund Transactions

Inter-fund balances arise because the County Treasurer utilizes a cash pool to maximize earnings. Inter-fund balances at June 30, 2009 were:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 643,549
General Fund	Restricted Grants	252,350
General Fund	Sun City/Belair Special Tax Dist	4,982
General Fund	Capital Projects Sales Tax	7,500
General Fund	SCAGO PFC Capital Projects	1,224,112
General Fund	Pleasant Valley Fire Dist	45,351
General Fund	E-911 Fund	4,567
General Fund	Airport Fund	540,250
1999-2008 GO Bonds	General Fund	43,037
Capital Improvement	General Fund	647,351
Transportation Fund	General Fund	1,797,446
Local Accomodations Tax	General Fund	1,142
Edenmoor Special Tax District	General Fund	965
Edgewater Improvement Dist	General Fund	1,976
General Fund	Debt Service	2,794
Recreation Fund	General Fund	203,368
		<u>\$ 5,420,740</u>

Inter-fund transfers for the year ended June 30, 2009, consisted of the following:

Transfer from	Transfer to	Purpose	Amount
General Fund	Recreation Fund	Recreation operations	\$ 831,327
General Fund	Airport Fund	Airport operations	38,739
General Fund	Library Fund	Library operations	1,134,070
General Fund	Pleasant Valley Fire District	Building purchase	200,000
General Fund	Court Mandated Security	Court security	233,587
Bond Projects	Debt Service Fund	Debt payments	8,709
Local Accomodations Tax	General Fund	Tourism promotions	15,000
			<u>\$ 2,461,432</u>

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-term Obligations

The following is a summary of long-term obligations of the County as of June 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 15,737,402	\$ 4,630,000	\$ 5,602,994	\$ 14,764,408	\$ 1,486,068
Capital leases	1,579,737	2,338,851	716,583	3,202,005	400,736
SCAGO PFC Installment purchase revenue bonds	-	38,410,000	-	38,410,000	-
Special source revenue bonds	2,973,658	-	-	2,973,658	201,036
Landfill closure and postclosure costs	1,419,612	-	12,890	1,406,722	56,000
Compensated absences	784,807	551,684	508,228	828,263	510,000
Deferred amounts:					
Unamortized discount	(38,657)	-	(2,974)	(35,683)	-
Unamortized loss on advanced refunding	-	(241,438)	(1,752)	(239,686)	-
Unamortized premium	7,465	1,302,907	81,005	1,229,367	-
Long-term liabilities	<u>\$ 22,464,024</u>	<u>\$ 46,992,004</u>	<u>\$ 6,916,974</u>	<u>\$ 62,539,054</u>	<u>\$ 2,653,840</u>

General Obligation Bonds

General obligation bonds payable at June 30, 2009 are comprised of the following individual issues:

Description of Issue	Amount
General obligation bonds, series 1999, interest at 5.3% to 7.3%, maturing 2024	\$ 175,000
General obligation bonds, series 2001, interest at 4% to 6 %, maturing 2020	3,685,000
General obligation bonds, series 2007, interest at 3.76%, maturing 2012	1,124,408
General obligation bonds, series 2008, interest at 3.25% to 3.63%, maturing 2015	5,150,000
General obligation refunding bonds, series 2009, interest at 3.00% to 4.00%, maturing 2024	4,630,000
	<u>\$ 14,764,408</u>

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-term Obligations - Continued

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,486,068	\$ 530,180	\$ 2,016,248
2011	1,534,633	515,607	2,050,240
2012	1,593,707	464,070	2,057,777
2013	1,665,000	343,622	2,008,622
2014	4,475,000	814,636	5,289,636
2015 to 2020	2,695,000	586,567	3,281,567
2021 to 2024	1,315,000	131,992	1,446,992
Total	<u>\$ 14,764,408</u>	<u>\$ 3,386,674</u>	<u>\$ 18,151,082</u>

Advanced Refunding

On June 1, 2009, the County issued \$4,630,000 General Obligation Refunding Bonds, Series 2009. The County issued the bonds to advance refund \$525,000 of outstanding General Obligation Bonds, Series 1996, \$3,790,000 of outstanding General Obligation Bonds, Series 1999, and to pay certain issuance costs. In connection with the issuance of the bonds, a premium of \$29,301 was recorded and is being amortized over the life of the bonds. As of June 30, 2009, the unamortized premium was \$29,141. The proceeds of the Series 2009 were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments related to the Series 1996 and Series 1999 bonds being refunded. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the County's Statement of Net Assets.

The advance refunding result in a book loss of \$241,438 for the year ended June 30, 2009, which is being amortized. The unamortized losses for the refunding at June 30, 2009 are shown netted against the related bonds in the Statement of Net Assets. Amortization has been included in interest expense and was \$1,752 for the year ended June 30, 2009.

The advance refunding reduced total debt service payments over the next fifteen years by approximately \$395,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$321,716.

Capital Leases

The County has entered into various lease agreements as lessee in order to finance acquisition of sanitation vehicles, ambulances and office equipment. These lease agreements include a bargain purchase options and qualify as capital leases for accounting purposes. Vehicles and equipment totaling \$11,814,180 have been purchased with proceeds from capital lease agreements.

During the year, the County entered into a capital lease of \$1,733,846 to finance renovations to improve the energy efficiencies of County buildings. The lease proceeds were deposited into an escrow account and the County has received reimbursements totaling \$432,515. As of June 30, 2009, the escrow account has a balance of \$1,301,631.

On May 21, 2009, the County entered into a capital lease of \$605,005 to finance the purchase of ambulances.

**LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 3. DETAILED NOTES ON ALL FUNDS – Continued

E. Long-term Obligations – Continued

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2009 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 549,139
2011	628,645
2012	486,039
2013	505,135
2014	364,204
2015 to 2020	1,666,783
Total minimum lease payments	4,199,945
Less, amount representing interest	997,940
Present value of minimum lease payments	<u>\$ 3,202,005</u>

Installment Purchase Revenue Bonds

The SCAGO Public Facilities Corporation for Lancaster County (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to an Installment Purchase and Use Agreement and evidence proportionate interest of owners in certain rental payments to be made by the County under the terms of a Base Lease and Conveyance Agreement between the County and the Corporation dated January 28, 2009. The County leased certain real property and conveyed the improvements to the Corporation so that the Corporation may finance the cost of acquiring, constructing, and equipping a new County Courthouse and renovating, improving and equipping the County Detention Center/Sheriff's Office (the "2009 Projects"), which together with certain improvements (including the conveyed improvements), fixtures and personal property located on the real property (the "2009 Facilities") to be sold to the County pursuant to a Purchase and Use Agreement dated January 28, 2009. The Purchase and Use Agreement, which will obligate the County to make semiannual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the 2009 facilities and the program administrator fees. The financial obligations of the County under the Purchase and Use Agreement do not constitute general obligations of the County to which its full faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made from available sources, including but not limited to general fund monies, net collections from the Capital Project Sales Tax Fund and proceeds from general obligation bonds by the County Council to pay the installment payments due in each fiscal year. The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation by the County in any fiscal year in which fund are not appropriated by the County to pay the installment payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay the installment payments under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty. However, the County would forfeit possession of the facilities for the remainder of the lease term.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS – Continued

E. Long-term Obligations - Continued

Installment Purchase Revenue Bonds – continued

On January 28, 2009, the Corporation issued \$38,410,000 Installment Purchase Revenue Bonds Series 2009 to finance the cost of acquiring, constructing, and equipping a new County Courthouse and renovating, improving and equipping the County Detention Center/Sheriff's Office (the "2009 Projects"); and the costs of constructing a parking facility. The bonds are due in annual installments ranging from \$4,185,000 to \$8,975,000 beginning December 1, 2010 through December 1, 2016 with interest rates ranging from 3.0% to 5.0%. In connection with the Corporation's 2009 bond issue, a premium of \$1,273,606 was recorded and is being amortized over the life of the bonds. The unamortized premium at June 30, 2009 was \$1,194,006.

Arbitrage is the difference between the yield on the issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be related to the U.S. Treasury. The SCAGO Public Facilities Corporation for Lancaster County (the Corporation) Installment Purchase Revenue Bonds are subject to an arbitrage calculation. As of June 30, 2009, an arbitrage liability has not been calculated.

The SCAGO Public Facilities Corporation for Lancaster County (the Corporation) Installment Purchase Revenue Bonds are not a debt of the County; however, as the Corporation is blended with the operations of the District, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

Special Source Revenue Bonds Payable

During 2006, the County issued special source revenue bonds payable of \$2,973,658 to finance the infrastructure improvements for the Bailes Ridge project. These bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The bonds are payable in annual installments beginning in 2010 and have an annual interest rate of 5.75% and will mature in 2020.

Annual debt service requirements to maturity for the special source revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 201,036	\$ 236,189	\$ 437,225
2011	209,413	230,913	440,326
2012	221,977	218,973	440,950
2013	238,730	206,982	445,712
2014	251,295	184,405	435,700
2014 to 2018	1,495,206	680,076	2,175,282
2019 to 2023	356,001	81,218	437,219
Total	<u>\$ 2,973,658</u>	<u>\$ 1,838,756</u>	<u>\$ 4,812,414</u>

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS – Continued

E. Long-term Obligations - Continued

Closure and Post Closure Costs of Municipal Solid Waste Landfill

On July 1, 1993, the County adopted GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Costs*, to account for closure and post closure costs associated with this landfill. The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of thirty years following the closing. DHEC also requires that operators cover the landfill with a minimum cover of a certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. Since the landfill was closed as of June 30, 1995, the County considers it to be at 100 percent of capacity.

During fiscal 2009, the County expended \$12,890 in landfill closure costs. Remaining post-closure costs are estimated at \$1,406,722 and the long-term liabilities in the statement of net assets include that amount. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology and/or applicable laws and regulations and are reported in the general fund.

F. Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there is one series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$36,000,000.

G. Special Assessment Debt Obligations

In July 2003, the County issued \$13,760,000 of special assessment debt. This debt is applicable to the Edgewater Improvement District, which is located in the southern part of the County, and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the outstanding balance on this debt was \$7,085,000.

In June 2006, the County issued \$35,615,000 of special assessment debt. This debt is applicable to the Edenmoor Improvement District, which is located in the northern part of the County, and will be used to improve the area's infrastructure and to construct a sheriff and EMS substation. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the outstanding balance on this debt was \$33,783,000.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. DETAILED NOTES ON ALL FUNDS – Continued

G. Special Assessment Debt Obligations - Continued

In March 2006, the County issued \$20,000,000 of special assessment debt. This debt is applicable to the Sun City Carolina Lakes Improvement District, which is located in the northern part of the County, and will be used to improve the area's infrastructure and to construct a library branch. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the outstanding balance on this debt was \$19,720,000.

In November 2007, the County issued \$28,880,000 of special assessment debt. This debt is applicable to the Edgewater II Improvement District, which is located in the southern part of the County, and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, the outstanding balance on this debt was \$28,661,000.

NOTE 4. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman's compensation insurance and for property and casualty coverage. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

The County is 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 its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board.

B. Employee Retirement Plans

Plan Description - Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing, multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefits, annual cost-of-living adjustments life insurance benefits and survivor benefits to plan members and beneficiaries. The plans' provisions are established under Title 9 of the South Carolina Code of Laws. The South Carolina Retirement System issues a publicly available stand-alone report, which may be obtained by writing to South Carolina Retirement Systems, P.O. Box 11960, Columbia, South Carolina 29211 or by calling 803-737-6800.

**LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 4. OTHER INFORMATION - Continued

B. Employee Retirement Plans - Continued

Funding Policy - SCRS and PORS members are required to contribute 6.50% of their annual covered salaries, and the County is required to contribute at an actuarially determined rate. The current rates actuarially determined are 9.24% and 10.65% respectively. The contribution requirements of the plan members and the County are established and may be amended by the South Carolina General Assembly. In addition to the above rates, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance benefit for their participants; and employers of the PORS contribute .20% of payroll to provide a group life insurance benefit and .20% of payroll to provide an accidental death benefit.

The County's contributions (which equaled required contributions) to SCRS and PORS for the last three fiscal years were as follows:

Fiscal Year Ended June 30	SCRS	PORS
2009	\$ 875,808	\$ 508,994
2008	855,122	430,680
2007	699,453	400,293

C. Deferred Compensation Plans

The County offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 401(k). Both plans administered by the South Carolina Deferred Compensation Commission. The plans permit employees to defer a portion of their salary until future years. Amounts deferred are 100% vested and held in trust for the exclusive benefit of participants or their beneficiaries. The County makes no contributions under terms of these plans.

D. Post – Employment Health Insurance Benefits

Plan Description - Lancaster County provides post-employment health benefits to employees who retire from service or who terminate with at least 20 years of service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally, those who retire must have at least 10 years of retirement service credit under the South Carolina Retirement System to qualify for benefits. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

Funding Policy – The County currently pays \$226.41 (single coverage) towards eligible retirees' coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis through an annual appropriation. For the year ended June 30, 2009, the County paid \$158,205 to provide these benefits to eligible retirees.

Annual Other Post – Employment Benefits (OPEB) Cost and Net OPEB Obligation – The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB costs for the year, the amount actuarially contributed to the plan, and changes in the County's net OPEB obligation for the post-employment health insurance benefits:

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4. OTHER INFORMATION – Continued

D. Post - Employment Health Insurance Benefits - Continued

Annual required contribution	\$ 304,748
Interest on OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>304,748</u>
Contributions made	<u>(158,205)</u>
Increase (decrease) in net OPEB obligation	146,543
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u><u>\$ 146,543</u></u>

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

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 304,748	51.91%	\$ 146,543

Funding Status and Progress – As of June 30, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,843,902. The covered payroll (annual payroll of active employees covered by the plan) was \$14,239,968, the ratio of the UAAL to the covered payroll was 26.99%. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

LANCASTER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4. OTHER INFORMATION – Continued

D. Post - Employment Health Insurance Benefits - Continued

In the June 2007 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.50% investment rate of return (net of administrative expenses), which is consistent with the investment return earned on the employer's general assets, and an annual medical cost trend increase of 3% to 10% annually in excess of general inflation. The investment rate included a 3.00% inflation assumption. The actuarial value of assets was set equal to the reported market value of assets. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over a 30 year period.

E. Commitments and Contingencies

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Litigation

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

Contractual Commitments

Total contractual commitments at June 30, 2009 were as follows:

Project	Contract Amount	Job-to-Date Expenditures	Outstanding Commitments
Energy Savings Group	\$ 1,717,846	\$ 599,584	\$ 1,118,262
New Justice Center	3,291,235	1,027,555	2,263,680
Old Lancaster County Courthouse	1,221,282	-	1,221,282
	<u>\$ 6,230,363</u>	<u>\$ 1,627,139</u>	<u>\$ 4,603,224</u>

NOTE 5. SUBSEQUENT EVENT

On July 6, 2009, the County Council authorized the issuance and sale of not to exceed \$2,500,000 General Obligation Bonds for Pleasant Valley Fire District, Series 2009.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

LANCASTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Property taxes	\$ 18,320,447	\$ 19,134,651	\$ 18,511,312	\$ (623,339)
Other local taxes and tariffs	903,000	903,000	959,633	56,633
Intergovernmental	4,150,883	3,903,135	3,885,211	(17,924)
Licenses and permits	3,006,900	3,006,900	2,727,033	(279,867)
Charges for services	2,443,110	2,443,110	2,638,151	195,041
Fines, fees and forfeitures	899,500	899,500	914,503	15,003
Contributions and donations	15,000	410,225	421,497	11,272
Investment earnings	372,565	372,565	165,524	(207,041)
Miscellaneous	71,000	71,000	111,477	40,477
Total revenues	30,182,405	31,144,086	30,334,341	(809,745)
Expenditures				
Current:				
General Government				
Non-departmental	1,122,961	1,122,961	1,033,840	89,121
Direct assistance to other agencies	632,492	675,833	618,391	57,442
Council	1,318,027	2,757,451	2,649,826	107,625
Administrator	293,602	391,469	329,924	61,545
Finance	401,146	397,135	391,091	6,044
Human resources	191,555	193,599	162,468	31,131
Information technology	428,370	373,370	355,307	18,063
GIS	144,230	142,788	122,335	20,453
Building and zoning	986,081	976,496	934,918	41,578
Planning	329,300	326,007	265,907	60,100
Assessor	656,430	649,866	629,816	20,050
Auditor	339,710	337,349	325,440	11,909
Treasurer	375,860	372,852	364,204	8,648
Delinquent tax collector	227,133	226,653	193,536	33,117
Voter registration and elections	188,937	188,159	200,744	(12,585)
Risk management/register of deeds	301,000	298,849	272,071	26,778
Farmers' market	2,850	2,850	2,203	647
Vehicle maintenance	385,017	411,248	344,170	67,078
Building maintenance	900,718	958,587	822,998	135,589
	9,225,419	10,803,522	10,019,189	784,333
Administration of Justice				
Circuit court	71,650	70,933	51,374	19,559
Clerk of court	199,049	198,025	188,618	9,407
Family court	344,807	342,207	304,419	37,788
Probate court	300,339	309,756	295,557	14,199
Magistrate court	681,964	677,408	631,088	46,320
	1,597,809	1,598,329	1,471,056	127,273
Public Safety				
Coroner	194,400	217,206	212,345	4,861
Sheriff	5,676,464	5,756,627	5,376,189	380,438
Detention center	1,752,950	1,776,909	1,421,543	355,366
Emergency management	297,200	295,029	302,662	(7,633)
Fire commission	936,625	957,411	968,273	(10,862)

SCHEDULE 1

LANCASTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Rescue squad	47,200	46,728	45,981	747
Indian Land rescue squad	50,200	49,698	33,095	16,603
	<u>8,955,039</u>	<u>9,099,608</u>	<u>8,360,088</u>	<u>739,520</u>
Public Works				
Roads and bridges	1,685,534	1,992,861	1,961,756	31,105
Landfill	57,000	57,000	12,890	44,110
Solid waste	2,063,099	2,188,399	2,036,804	151,595
	<u>3,805,633</u>	<u>4,238,260</u>	<u>4,011,450</u>	<u>226,810</u>
Public health and welfare				
EMS	4,146,017	4,755,798	4,813,459	(57,661)
Animal control	254,125	274,734	251,563	23,171
Environmental health	6,025	6,025	3,678	2,347
Health services	99,300	99,300	86,124	13,176
Teen drug court	98,971	113,172	101,879	11,293
Social services and food stamps	67,700	67,700	64,037	3,663
D.S.S. Family Independence	61,100	61,100	59,082	2,018
Veteran affairs	129,425	129,432	120,410	9,022
	<u>4,862,663</u>	<u>5,507,261</u>	<u>5,500,232</u>	<u>7,029</u>
Economic Development				
Economic development commission	186,936	369,361	430,948	(61,587)
Debt Service				
Principal	261,000	261,000	212,691	48,309
Interest and other charges	-	-	28,056	(28,056)
	<u>261,000</u>	<u>261,000</u>	<u>240,747</u>	<u>20,253</u>
Total expenditures	<u>28,894,499</u>	<u>31,877,341</u>	<u>30,033,710</u>	<u>1,843,631</u>
Excess (deficiency) of revenues over expenditures	<u>1,287,906</u>	<u>(733,255)</u>	<u>300,631</u>	<u>1,033,886</u>
Other Financing Sources (Uses)				
Proceeds from capital leases	-	1,074,420	2,338,851	1,264,431
Proceeds from sale of capital assets	-	-	38,549	38,549
Transfers in	15,000	15,000	15,000	-
Transfers out	(1,931,431)	(3,173,847)	(2,437,723)	736,124
Fund balance appropriated	628,525	2,817,682	-	(2,817,682)
Total other financing sources and uses	<u>(1,287,906)</u>	<u>733,255</u>	<u>(45,323)</u>	<u>(778,578)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,308</u>	<u>\$ 255,308</u>
Fund Balances, Beginning of Year			<u>17,656,504</u>	
Fund Balances, End of Year			<u>\$17,911,812</u>	

Note: The County's budget is prepared and monitored on a GAAP (generally accepted accounting principles) basis.

SCHEDULE 2

LANCASTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 1,250,000	\$ 1,250,000	\$ 1,319,856	\$ 69,856
Investment earnings	45,000	45,000	5,543	(39,457)
Total revenues	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,325,399</u>	<u>30,399</u>
Expenditures				
Current				
Public works	1,295,000	1,295,000	764,177	530,823
Total expenditures	<u>1,295,000</u>	<u>1,295,000</u>	<u>764,177</u>	<u>530,823</u>
Excess (deficiency) of revenues over expenditures	-	-	561,222	561,222
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	561,222	<u>\$ 561,222</u>
Fund Balances, Beginning of Year			<u>1,339,977</u>	
Fund Balances, End of Year			<u>\$ 1,901,199</u>	

SCHEDULE 3

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded Actuarial Accrued Liability (UAAL) (B-A)	Ratio of Funded Obligation (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
June 30, 2007	\$ -	\$ 3,843,902	\$ 3,843,902	0.00%	\$ 14,239,968	26.99%

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 4

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Fund	Debt Service Fund	Capital Project Fund	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 797,934	\$ 542,832	\$ -	\$ 1,340,766
Investments	-	4,599,504	2,974,276	7,573,780
Taxes receivable, net	9,501	10,093	-	19,594
Due from other funds	852,826	2,794	45,012	900,632
Due from other governments	653,742	2	-	653,744
Other receivables	75,232	-	89,042	164,274
	<u>\$ 2,389,235</u>	<u>\$ 5,155,225</u>	<u>\$ 3,108,330</u>	<u>\$ 10,652,790</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 34,352	\$ -	\$ 1,976	\$ 36,328
Due to other funds	855,001	-	643,549	1,498,550
Deferred revenue	8,026	-	-	8,026
Other accrued expenses	3,780	-	-	3,780
	<u>901,159</u>	<u>-</u>	<u>645,525</u>	<u>1,546,684</u>
Fund balances:				
Reserved for:				
Capital projects	182,444	-	-	182,444
Encumbrances	22,743	-	22,118	44,861
Debt service	-	5,155,225	-	5,155,225
Unreserved	1,282,889	-	2,440,687	3,723,576
	<u>1,488,076</u>	<u>5,155,225</u>	<u>2,462,805</u>	<u>9,106,106</u>
	<u>\$ 2,389,235</u>	<u>\$ 5,155,225</u>	<u>\$ 3,108,330</u>	<u>\$ 10,652,790</u>

SCHEDULE 5

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

	Special Revenue Fund	Debt Service Fund	Capital Project Fund	Total Other Governmental Funds
Revenues				
Property taxes	\$ 1,902,233	\$ 2,065,320	\$ 328,379	\$ 4,295,932
Other taxes	522,664	-	-	522,664
Rent income	51,968	-	-	51,968
Fees and fines	49,879	-	-	49,879
Intergovernmental	1,472,473	-	103,172	1,575,645
Charges for services	1,176,270	-	-	1,176,270
Investment earnings	5,998	6,546	49,786	62,330
Contributions and donations	46,574	-	100	46,674
Total revenues	<u>5,228,059</u>	<u>2,071,866</u>	<u>481,437</u>	<u>7,781,362</u>
Expenditures				
Current				
General government	895,353	-	2,052	897,405
Administration of Justice	-	-	1,040,222	1,040,222
Public safety and law enforcement	2,257,299	-	1,719,670	3,976,969
Public works	427,416	-	235,858	663,274
Public health and welfare	23,132	-	-	23,132
Culture and recreation	3,619,157	-	951,494	4,570,651
Economic development	94,227	-	3,887,389	3,981,616
Debt service				
Principal	503,892	1,287,994	-	1,791,886
Interest and other charges	45,181	1,296,497	1,260	1,342,938
Total expenditures	<u>7,865,657</u>	<u>2,584,491</u>	<u>7,837,945</u>	<u>18,288,093</u>
Excess (deficiency) of revenues over expenditures	<u>(2,637,598)</u>	<u>(512,625)</u>	<u>(7,356,508)</u>	<u>(10,506,731)</u>
Other Financing Sources (Uses)				
Issuance of debt	-	9,768,135	-	9,768,135
Other sources - bond premium	-	29,301	-	29,301
Payment to refunded debt escrow agent	-	(4,556,438)	-	(4,556,438)
Transfers in	2,437,723	8,709	-	2,446,432
Transfers out	(15,000)	-	(8,709)	(23,709)
Total other financing sources and uses	<u>2,422,723</u>	<u>5,249,707</u>	<u>(8,709)</u>	<u>7,663,721</u>
Extraordinary Item				
Insurance recoveries	-	-	827,397	827,397
Net change in fund balances	(214,875)	4,737,082	(6,537,820)	(2,015,613)
Fund Balances, Beginning of Year	<u>1,702,951</u>	<u>418,143</u>	<u>9,000,625</u>	<u>11,121,719</u>
Fund Balances, End of Year	<u>\$ 1,488,076</u>	<u>\$ 5,155,225</u>	<u>\$ 2,462,805</u>	<u>\$ 9,106,106</u>

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Recreation Fund	Airport Fund	Library Fund	Restricted Grants Fund	Equipment Replacement Fund	Local Accommodations Tax Fund	Sun City/Belair Special Tax District Fund	Edenmoor Special Tax District	E-911 Fund	Pleasant Valley Fire District Fund	Capital Projects Sales Tax Revenue Fund	Court Mandated Security Fund	Total
Assets													
Cash and cash equivalents	\$ 650	\$ 19,453	\$ 128,223	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 183,122	\$ 461,486	\$ -	\$ -	\$ 797,934
Taxes receivable, net	-	-	-	-	5,010	-	-	-	-	-	-	4,491	9,501
Due from other funds	203,368	-	-	-	647,351	1,142	-	965	-	-	-	-	852,826
Due from other governments	-	453,026	-	174,090	-	-	-	-	26,626	-	-	-	653,742
Other receivables	-	-	-	16,898	-	4,696	-	-	53,638	-	-	-	75,232
	\$ 204,018	\$ 472,479	\$ 128,223	\$ 195,988	\$ 652,361	\$ 5,838	\$ -	\$ 965	\$ 263,386	\$ 461,486	\$ -	\$ 4,491	\$ 2,389,235
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ 34,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,352
Due to other funds	-	540,250	-	252,350	-	-	4,983	-	4,567	45,351	7,500	-	855,001
Deferred revenue	-	-	-	8,026	-	-	-	-	-	-	-	-	8,026
Other accrued expenses	-	-	-	-	-	-	-	-	-	3,780	-	-	3,780
	-	540,250	34,352	260,376	-	-	4,983	-	4,567	49,131	7,500	-	901,159
Fund balances:													
Reserved for:													
Encumbrances	-	-	-	-	-	-	-	-	-	-	-	22,743	22,743
Capital projects	182,444	-	-	-	-	-	-	-	-	-	-	-	182,444
Unreserved, reported in:													
Special revenue funds	21,574	(67,771)	93,871	(84,388)	652,361	5,838	(4,983)	965	258,819	412,355	(7,500)	(18,252)	1,282,869
	204,018	(67,771)	93,871	(64,388)	652,361	5,838	(4,983)	965	258,819	412,355	(7,500)	4,491	1,488,076
	\$ 204,018	\$ 472,479	\$ 128,223	\$ 195,988	\$ 652,361	\$ 5,838	\$ -	\$ 965	\$ 263,386	\$ 461,486	\$ -	\$ 4,491	\$ 2,389,235

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Recreation Fund	Airport Fund	Library Fund	Restricted Grants Fund	Equipment Replacement Fund	Local Accommodations Tax Fund	Sun City/Belair Special Tax District Fund	Edenmoor Special Tax District	E-911 Fund	Pleasant Valley Fire District Fund	Capital Projects Sales Tax Revenue Fund	Court Mandated Security Fund	Total
Revenues													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,052,521	\$ 53,452	\$ -	\$ -	\$ 469,212	\$ -	\$ -	\$ 849,712	\$ 1,902,233
Sales and miscellaneous taxes	-	-	-	-	-	-	-	-	-	-	-	-	522,664
Rent income	-	51,968	-	-	-	-	-	-	-	-	-	-	51,968
Fees and fines	-	-	45,875	-	-	-	139	5	-	3,860	-	-	49,879
Intergovernmental	107,103	653,642	109,302	602,426	-	-	-	-	-	-	-	-	1,472,473
Charges for services	803,126	-	6,839	-	-	-	95,120	960	-	270,225	-	-	1,176,270
Investment earnings	273	3	3,662	-	-	14	-	-	275	1,771	-	-	5,998
Contributions and donations	-	-	46,574	-	-	-	-	-	-	-	-	-	46,574
Total revenues	910,502	705,613	212,252	602,426	1,052,521	53,466	95,259	965	469,487	275,856	-	849,712	5,228,059
Expenditures													
Current													
General government	-	741,456	-	104,647	-	41,750	-	-	-	-	7,500	-	895,353
Public safety and law enforcement	-	-	-	282,640	-	-	91,417	-	357,440	446,994	-	1,078,808	2,257,299
Public works	-	-	-	76,328	351,088	-	-	-	-	-	-	-	427,416
Public health and welfare	-	-	-	23,132	-	-	-	-	-	-	-	-	23,132
Culture and recreation	1,946,988	-	1,672,169	-	-	-	-	-	-	-	-	-	3,619,157
Economic development	-	-	-	94,227	-	-	-	-	-	-	-	-	94,227
Debt service	-	-	-	-	503,892	-	-	-	-	-	-	-	503,892
Principal	-	-	-	-	45,181	-	-	-	-	-	-	-	45,181
Interest and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,946,988	741,456	1,672,169	580,974	900,161	41,750	91,417	-	357,440	446,994	7,500	1,078,808	7,865,657
Excess (deficiency) of revenues over expenditures	(1,036,486)	(35,843)	(1,459,917)	21,452	152,360	11,716	3,842	965	112,047	(171,138)	(7,500)	(229,096)	(2,637,598)
Other Financing Sources (Uses)													
Transfers in	831,327	38,739	1,134,070	-	-	-	-	-	-	200,000	-	233,587	2,437,723
Transfers out	-	-	-	-	-	(15,000)	-	-	-	-	-	-	(15,000)
Total Other Financing Sources	831,327	38,739	1,134,070	-	-	(15,000)	-	-	-	200,000	-	233,587	2,422,723
Net change in fund balances	(205,159)	2,896	(325,847)	21,452	152,360	(3,284)	3,842	965	112,047	26,862	(7,500)	4,491	(214,875)
Fund Balances, Beginning of Year	409,177	(70,667)	419,718	(85,840)	500,001	9,122	(8,825)	-	146,772	383,493	-	-	1,702,951
Fund Balances, End of Year	\$ 204,018	\$ (67,771)	\$ 93,871	\$ (64,388)	\$ 652,361	\$ 5,838	\$ (4,983)	\$ 965	\$ 258,819	\$ 412,355	\$ (7,500)	\$ 4,491	\$ 1,488,076

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - RECREATION FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 132,103	\$ 132,103	\$ 107,103	\$ (25,000)
Charges for services	1,030,175	1,030,175	803,126	(227,049)
Interest income	-	-	273	273
	<u>1,162,278</u>	<u>1,162,278</u>	<u>910,502</u>	<u>(251,776)</u>
Expenditures				
Current				
Culture and recreation - operations	1,972,979	1,972,979	1,758,036	214,943
Culture and recreation - park improvement	128,551	128,551	188,952	(60,401)
	<u>2,101,530</u>	<u>2,101,530</u>	<u>1,946,988</u>	<u>154,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(939,252)</u>	<u>(939,252)</u>	<u>(1,036,486)</u>	<u>(97,234)</u>
Other Financing Sources				
Transfer in	832,926	832,926	831,327	(1,599)
Fund balance appropriated	106,326	106,326	-	(106,326)
	<u>939,252</u>	<u>939,252</u>	<u>831,327</u>	<u>(107,925)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(205,159)</u>	<u>\$ (205,159)</u>
Fund Balance, Beginning of Year			<u>409,177</u>	
Fund Balance, End of Year			<u>\$ 204,018</u>	

SCHEDULE 9

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - AIRPORT FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Rent income	\$ 55,500	\$ 55,500	\$ 51,968	\$ (3,532)
Intergovernmental	-	-	653,642	653,642
Interest income	-	-	3	3
	<u>55,500</u>	<u>55,500</u>	<u>705,613</u>	<u>650,113</u>
Expenditures				
Current				
General government services	<u>95,500</u>	<u>126,135</u>	<u>741,456</u>	<u>(615,321)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(70,635)</u>	<u>(35,843)</u>	<u>34,792</u>
Other Financing Sources				
Transfer in	40,000	40,000	38,739	(1,261)
Fund balance appropriated	-	30,635	-	(30,635)
	<u>40,000</u>	<u>70,635</u>	<u>38,739</u>	<u>(31,896)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,896</u>	<u>\$ 33,531</u>
Fund Balance, Beginning of Year			<u>(70,667)</u>	
Fund Balance, End of Year			<u>\$ (67,771)</u>	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - LIBRARY FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 109,302	\$ 109,302	\$ 109,302	\$ -
Charges for services	8,000	8,000	6,839	(1,161)
Fines, fees and copier revenue	43,000	43,000	45,875	2,875
Contributions and donations	46,574	46,574	46,574	-
Interest income	-	-	3,662	3,662
	<u>206,876</u>	<u>206,876</u>	<u>212,252</u>	<u>5,376</u>
Expenditures				
Current				
Culture and recreation	<u>1,704,766</u>	<u>1,707,766</u>	<u>1,672,169</u>	<u>35,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,497,890)</u>	<u>(1,500,890)</u>	<u>(1,459,917)</u>	<u>40,973</u>
Other Financing Sources (Uses)				
Fund balance appropriated	363,820	366,820	-	(366,820)
Transfer in	<u>1,134,070</u>	<u>1,134,070</u>	<u>1,134,070</u>	<u>-</u>
	<u>1,497,890</u>	<u>1,500,890</u>	<u>1,134,070</u>	<u>(366,820)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (325,847)</u>	<u>\$ (325,847)</u>
Fund Balance, Beginning of Year			<u>419,718</u>	
Fund Balance, End of Year			<u>\$ 93,871</u>	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,092,150	\$ 1,092,150	\$ 1,052,521	\$ (39,629)
Total revenues	1,092,150	1,092,150	1,052,521	(39,629)
Expenditures				
Capital outlay				
Public works	355,000	355,000	351,088	3,912
Debt service				
Principal	560,000	560,000	503,892	56,108
Interest and other charges	-	-	45,181	(45,181)
Total expenditures	915,000	915,000	900,161	14,839
Excess (deficiency) of revenues over expenditures	177,150	177,150	152,360	(24,790)
Other Financing Sources (Uses)				
Fund balance appropriated	(177,150)	(177,150)	-	177,150
Total other financing sources and uses	(177,150)	(177,150)	-	177,150
Net change in fund balances	\$ -	\$ -	152,360	\$ 152,360
Fund Balance, Beginning of Year			500,001	
Fund Balance, End of Year			\$ 652,361	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - LOCAL ACCOMMODATIONS TAX FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Local accomodation tax revenue	\$ 50,000	\$ 50,000	\$ 53,452	\$ 3,452
Investment earnings	-	-	14	14
Total revenues	50,000	50,000	53,466	3,466
Expenditures				
General government administration	50,000	50,000	41,750	8,250
Total expenditures	50,000	50,000	41,750	8,250
Excess (deficiency) of revenues over expenditures	-	-	11,716	11,716
Other Financing Sources (Uses)				
Transfers out	-	-	(15,000)	(15,000)
Total other financing sources and uses	-	-	(15,000)	(15,000)
Net change in fund balances	\$ -	\$ -	(3,284)	\$ 11,716
Fund Balance, Beginning of Year			9,122	
Fund Balance, End of Year			\$ 5,838	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - SUN CITY/BELAIR SPECIAL TAX DISTRICT FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Charges for services	\$ 104,400	\$ 104,400	\$ 95,120	\$ (9,280)
Fines, fees and forfeitures	-	-	139	139
Total revenues	104,400	104,400	95,259	(9,141)
Expenditures				
Public safety and law enforcement	104,400	104,400	91,417	12,983
Total expenditures	104,400	104,400	91,417	12,983
Excess (deficiency) of revenues over expenditures	-	-	3,842	3,842
Net change in fund balances	\$ -	\$ -	3,842	\$ 3,842
Fund Balance, Beginning of Year			(8,825)	
Fund Balance, End of Year			\$ (4,983)	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - E-911 FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Other local taxes and tariffs	\$ 440,000	\$ 440,000	\$ 469,212	\$ 29,212
Investment earnings	5,000	5,000	275	(4,725)
Total revenues	445,000	445,000	469,487	24,487
Expenditures				
Public safety and law enforcement	445,000	445,000	357,440	87,560
Total expenditures	445,000	445,000	357,440	87,560
Excess (deficiency) of revenues over expenditures	-	-	112,047	112,047
Net change in fund balances	\$ -	\$ -	112,047	\$ 112,047
Fund Balance, Beginning of Year			146,772	
Fund Balance, End of Year			\$ 258,819	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - PLEASANT VALLEY FIRE DISTRICT FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 265,000	\$ 265,000	\$ 270,225	\$ 5,225
Fines, fees and forfeitures	-	-	3,860	3,860
Investment earnings	-	-	1,771	1,771
Total revenues	265,000	265,000	275,856	10,856
Expenditures				
Public safety and law enforcement	265,000	465,000	446,994	18,006
Total expenditures	265,000	465,000	446,994	18,006
Excess (deficiency) of revenues over expenditures	-	(200,000)	(171,138)	28,862
Other Financing Sources (Uses)				
Transfers in	-	200,000	200,000	-
Total other financing sources and uses	-	200,000	200,000	-
Net change in fund balances	\$ -	\$ -	28,862	\$ 28,862
Fund Balance, Beginning of Year			383,493	
Fund Balance, End of Year			\$ 412,355	

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - COURT MANDATED SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ -	\$ 917,345	\$ 849,712	\$ (67,633)
Total revenues	-	917,345	849,712	(67,633)
Expenditures				
Public safety and law enforcement	-	1,772,056	1,078,808	693,248
Total expenditures	-	1,772,056	1,078,808	693,248
Excess (deficiency) of revenues over expenditures	-	(854,711)	(229,096)	625,615
Other Financing Sources (Uses)				
Transfers in	-	854,711	233,587	(621,124)
Total other financing sources and uses	-	854,711	233,587	(621,124)
Net change in fund balances	\$ -	\$ -	4,491	\$ 4,491
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ 4,491	

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2009

	Debt Service Fund	Debt Service Fund - SCAGO Public Facilities Corporation	Total
Assets			
Cash and cash equivalents	\$ 542,832	\$ -	\$ 542,832
Investments	-	4,599,504	4,599,504
Taxes receivable, net	10,093	-	10,093
Due from other funds	2,794	-	2,794
Due from other governments	2	-	2
	<u>\$ 555,721</u>	<u>\$ 4,599,504</u>	<u>\$ 5,155,225</u>
Liabilities and Fund Balances			
Fund balances:			
Reserved for:			
Debt service	555,721	4,599,504	5,155,225
	<u>\$ 555,721</u>	<u>\$ 4,599,504</u>	<u>\$ 5,155,225</u>

LANCASTER COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Debt Service Fund	Debt Service Fund - SCAGO Public Facilities Corporation	Total
Revenues			
Property Taxes	\$ 2,065,320	\$ -	\$ 2,065,320
Investment earnings	2,132	4,414	6,546
Total revenues	<u>2,067,452</u>	<u>4,414</u>	<u>2,071,866</u>
 Debt service			
Principal retirement	1,287,994	-	1,287,994
Interest and other charges	753,452	543,045	1,296,497
Total expenditures	<u>2,041,446</u>	<u>543,045</u>	<u>2,584,491</u>
 Excess (deficiency) of revenues over expenditures	<u>26,006</u>	<u>(538,631)</u>	<u>(512,625)</u>
 Other Financing Sources (Uses)			
Issuance of debt	4,630,000	5,138,135	9,768,135
Other financing source - premium	29,301	-	29,301
Payment to refunded debt escrow agent	(4,556,438)	-	(4,556,438)
Transfers in	8,709	-	8,709
Total other financing sources (uses)	<u>111,572</u>	<u>5,138,135</u>	<u>5,249,707</u>
 Net Change in Fund Balances	137,578	4,599,504	4,737,082
 Fund Balances, Beginning of Year	<u>418,143</u>	<u>-</u>	<u>418,143</u>
 Fund Balances, End of Year	<u>\$ 555,721</u>	<u>\$ 4,599,504</u>	<u>\$ 5,155,225</u>

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Property taxes	\$ 2,058,822	\$ 2,058,822	\$ 2,065,320	\$ 6,498
Interest income	12,000	12,000	2,132	(9,868)
Total revenues	<u>2,070,822</u>	<u>2,070,822</u>	<u>2,067,452</u>	<u>(3,370)</u>
Expenditures				
Debt service				
Principal retirement	1,262,994	1,262,994	1,287,994	(25,000)
Interest and other charges	807,828	807,828	753,452	54,376
Total expenditures	<u>2,070,822</u>	<u>2,070,822</u>	<u>2,041,446</u>	<u>29,376</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	4,630,000	4,630,000
Other financing source - premium	-	-	29,301	29,301
Payment to refunded debt escrow agent	-	-	(4,556,438)	(4,556,438)
Transfers in	-	-	8,709	8,709
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>111,572</u>	<u>111,572</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>137,578</u>	<u>\$ 137,578</u>
Fund Balance, Beginning of Year			<u>418,143</u>	
Fund Balance, End of Year			<u>\$ 555,721</u>	

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2009

General Capital Projects Fund	Bond Projects Fund	Edgewater Improvement District Fund	Bailes Ridge Project Fund	Edenmoor Special Assessments Funds	Sun City Special Assessments Fund	Total
\$ -	\$ -	\$ -	\$ 580,765	\$ 2,214,295	\$ 179,216	\$ 2,974,276
-	-	-	-	-	-	-
-	43,036	1,976	-	-	-	45,012
-	-	-	-	-	-	-
82,146	6,896	-	-	-	-	89,042
<u>\$ 82,146</u>	<u>\$ 49,932</u>	<u>\$ 1,976</u>	<u>\$ 580,765</u>	<u>\$ 2,214,295</u>	<u>\$ 179,216</u>	<u>\$ 3,108,330</u>

Assets

Investments
Taxes receivable, net
Due from other funds
Due from other governments
Other receivables, net

Liabilities and Fund Balances

Liabilities:

Accounts payable
Due to other funds

\$ -	\$ -	\$ 1,976	\$ -	\$ -	\$ -	\$ 1,976
643,549	-	-	-	-	-	643,549
<u>643,549</u>	<u>-</u>	<u>1,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,525</u>

Fund balances:

Reserved for:

Encumbrances
Unreserved, reported in:
Capital project fund

-	22,118	-	-	-	-	22,118
(561,403)	27,814	-	580,765	2,214,295	179,216	2,440,687
(561,403)	49,932	-	580,765	2,214,295	179,216	2,462,805
<u>\$ 82,146</u>	<u>\$ 49,932</u>	<u>\$ 1,976</u>	<u>\$ 580,765</u>	<u>\$ 2,214,295</u>	<u>\$ 179,216</u>	<u>\$ 3,108,330</u>

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Capital Projects Fund	Bond Projects Fund	Edgewater Improvement District Fund	Bailes Ridge Project Fund	Edenmoor Special Assessments Fund	Sun City Special Assessments Fund	Total
Revenues							
Property Taxes	\$ -	\$ -	\$ -	\$ 328,379	\$ -	\$ -	\$ 328,379
Intergovernmental	103,172	-	-	-	-	-	103,172
Investment earnings	-	962	-	2,093	39,796	6,935	49,786
Contributions and donations	100	-	-	-	-	-	100
Total revenues	103,272	962	-	330,472	39,796	6,935	481,437
Expenditures							
Capital outlay							
General government	-	2,052	-	-	-	-	2,052
Administration of justice	1,022,237	17,985	-	-	-	-	1,040,222
Public safety and law enforcement	-	1,719,670	-	-	-	-	1,719,670
Public works	-	235,858	-	-	-	-	235,858
Economic development	-	-	-	-	3,887,389	-	3,887,389
Culture and recreation	-	-	-	-	-	951,494	951,494
Debt service	-	-	-	-	-	-	-
Interest and other charges	-	-	-	1,260	-	-	1,260
Total expenditures	1,022,237	1,975,565	-	1,260	3,887,389	951,494	7,837,945
Excess (deficiency) of revenues over expenditures	(918,965)	(1,974,603)	-	329,212	(3,847,593)	(944,559)	(7,356,508)
Other Financing Sources (Uses)							
Transfers out	-	(8,709)	-	-	-	-	(8,709)
Extraordinary Item							
Insurance recoveries	827,397	-	-	-	-	-	827,397
Net Change in Fund Balances	(91,568)	(1,983,312)	-	329,212	(3,847,593)	(944,559)	(6,537,820)
Fund Balances, Beginning of Year	(469,835)	2,033,244	-	251,553	6,061,888	1,123,775	9,000,625
Fund Balances, End of Year	\$ (561,403)	\$ 49,932	\$ -	\$ 580,765	\$ 2,214,295	\$ 179,216	\$ 2,462,805

LANCASTER COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 103,172	\$ 103,172
Contributions and donations	-	-	100	100
Total revenues	-	-	103,272	103,272
Expenditures				
Capital outlay				
Administration of justice	115,000	115,000	1,022,237	(907,237)
Total expenditures	115,000	115,000	1,022,237	(907,237)
Excess (Deficiency) of Revenues Over Expenditures	(115,000)	(115,000)	(918,965)	(803,965)
Other Financing Sources (Uses)				
Transfers in	115,000	115,000	-	(115,000)
Extraordinary Item				
Insurance recoveries	-	-	827,397	827,397
Net Change in Fund Balances	\$ -	\$ -	(91,568)	\$ (91,568)
Fund Balance, Beginning of Year			(469,835)	
Fund Balance, End of Year			\$ (561,403)	

LANCASTER COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Education fund				
Assets				
Cash and cash equivalents	\$ 5,645,917	\$ 53,228,038	\$52,224,509	\$ 6,649,446
Accounts receivable	1,442	1,283	1,442	1,283
Property taxes receivable	169,725	147,458	169,725	147,458
	<u>\$ 5,817,084</u>	<u>\$ 53,376,779</u>	<u>\$52,395,676</u>	<u>\$ 6,798,187</u>
Liabilities				
Due to school district	\$ 5,812,182	\$ 52,489,569	\$51,507,710	\$ 6,794,041
Due to USC-L	4,902	887,210	887,966	4,146
	<u>\$ 5,817,084</u>	<u>\$ 53,376,779</u>	<u>\$52,395,676</u>	<u>\$ 6,798,187</u>
Clerk of court				
Assets				
Cash	<u>\$ 1,013,702</u>	<u>\$ 459,056</u>	<u>\$ 396,723</u>	<u>\$ 1,076,035</u>
Liabilities				
Due to others	<u>\$ 1,013,702</u>	<u>\$ 459,056</u>	<u>\$ 396,723</u>	<u>\$ 1,076,035</u>
Family court				
Assets				
Cash	<u>\$ 98,371</u>	<u>\$ 5,814,991</u>	<u>\$ 5,722,393</u>	<u>\$ 190,969</u>
Liabilities				
Due to others	<u>\$ 98,371</u>	<u>\$ 5,814,991</u>	<u>\$ 5,722,393</u>	<u>\$ 190,969</u>
Probate court				
Assets				
Cash	<u>\$ 1,254</u>	<u>\$ 158,502</u>	<u>\$ 158,452</u>	<u>\$ 1,304</u>
Liabilities				
Due to others	<u>\$ 1,254</u>	<u>\$ 158,502</u>	<u>\$ 158,452</u>	<u>\$ 1,304</u>
Tax collector property sold				
Assets				
Cash	<u>\$ 75,789</u>	<u>\$ 422,162</u>	<u>\$ 358,239</u>	<u>\$ 139,712</u>
Liabilities				
Due to others	<u>\$ 75,789</u>	<u>\$ 422,162</u>	<u>\$ 358,239</u>	<u>\$ 139,712</u>
Tax collector trust account				
Assets				
Cash	<u>\$ 69,832</u>	<u>\$ 6,469</u>	<u>\$ 45,589</u>	<u>\$ 30,712</u>
Liabilities				
Due to others	<u>\$ 69,832</u>	<u>\$ 6,469</u>	<u>\$ 45,589</u>	<u>\$ 30,712</u>
Magistrates				
Assets				
Cash	<u>\$ 178,072</u>	<u>\$ 1,307,035</u>	<u>\$ 1,303,264</u>	<u>\$ 181,843</u>
Liabilities				
Due to others	<u>\$ 178,072</u>	<u>\$ 1,307,035</u>	<u>\$ 1,303,264</u>	<u>\$ 181,843</u>

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
City of Lancaster				
Assets				
Cash	\$ 525	\$ 2,198,669	\$ 2,198,764	\$ 430
Liabilities				
Due to City of Lancaster	\$ 525	\$ 2,198,669	\$ 2,198,764	\$ 430
Town of Kershaw				
Assets				
Cash	\$ -	\$ 100,463	\$ 100,435	\$ 28
Liabilities				
Due to Town of Kershaw	\$ -	\$ 100,463	\$ 100,435	\$ 28
Edgewater Improvement District				
Assets				
Investments	\$ 1,024,569	\$ 594,955	\$ 632,854	\$ 986,670
Liabilities				
Due to others	\$ 1,024,569	\$ 594,955	\$ 632,854	\$ 986,670
Edgewater II Improvement District				
Assets				
Investments	\$ 6,430,509	\$ 61,590	\$ 2,332,331	\$ 4,159,768
Liabilities				
Due to others	\$ 6,430,509	\$ 61,590	\$ 2,332,331	\$ 4,159,768
Sun City Improvement District				
Assets				
Investments	\$ 2,514,415	\$ 1,273,132	\$ 1,393,758	\$ 2,393,789
Liabilities				
Due to others	\$ 2,514,415	\$ 1,273,132	\$ 1,393,758	\$ 2,393,789
Edenmoor Improvement District				
Assets				
Investments	\$ 4,514,945	\$ 1,424,357	\$ 3,696,167	\$ 2,243,135
Liabilities				
Due to others	\$ 4,514,945	\$ 1,424,357	\$ 3,696,167	\$ 2,243,135
ASSETS				
Cash and cash equivalents	\$ 7,083,462	\$ 63,695,385	\$62,508,368	\$ 8,270,479
Investments	14,484,438	3,354,034	8,055,110	9,783,362
Property tax receivable	169,725	147,458	169,725	147,458
Accounts receivable	1,442	1,283	1,442	1,283
Total assets	\$ 21,739,067	\$ 67,198,160	\$70,734,645	\$ 18,202,582
LIABILITIES				
Due to other taxing units	\$ 5,817,609	\$ 55,675,911	\$54,694,875	\$ 6,798,645
Due to others	15,921,458	11,522,249	16,039,770	11,403,937
Total liabilities	\$ 21,739,067	\$ 67,198,160	\$70,734,645	\$ 18,202,582

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2009

Function and Activity	Land	Construction in Progress	Buildings and Improvements	Vehicles	Furniture and Equipment	Infrastructure	Total
General government administration							
Administration	\$ -	\$ -	\$ -	\$ 27,457	\$ -	\$ -	\$ 27,457
Finance	-	-	-	-	17,710	-	17,710
Building and zoning	-	-	-	135,779	22,726	-	158,505
Planning	-	-	-	-	9,945	-	9,945
Assessor	-	-	-	84,787	89,431	-	174,218
Auditor	-	-	-	17,525	25,762	-	43,287
Voter registration and elections	-	-	-	-	451,798	-	451,798
GIS	-	-	-	-	49,906	-	49,906
MIS	-	-	-	32,325	88,094	-	120,419
Economic Development	-	-	-	-	7,366	-	7,366
Non-departmental	1,424,876	1,186,091	8,767,436	-	692,258	-	12,070,661
	<u>1,424,876</u>	<u>1,186,091</u>	<u>8,767,436</u>	<u>297,873</u>	<u>1,454,996</u>	<u>-</u>	<u>13,131,272</u>
Administration of justice							
Clerk of Court	-	-	1,228,809	-	27,441	-	1,256,250
Probate Court	-	-	-	-	6,672	-	6,672
Family Court	7,690	-	121,600	-	-	-	129,290
Teen Court	-	-	-	-	6,469	-	6,469
Magistrate Courts	326,300	-	657,699	22,620	5,549	-	1,012,168
	<u>333,990</u>	<u>-</u>	<u>2,008,108</u>	<u>22,620</u>	<u>46,131</u>	<u>-</u>	<u>2,410,849</u>
Public safety and law enforcement							
E-911 Communications	-	-	-	13,200	506,171	-	519,371
Sheriff	35,000	-	2,178,224	1,949,105	315,564	-	4,477,893
Detention Center	-	-	185,000	20,723	47,142	-	252,865
Emergency Preparedness	-	-	116,400	33,121	340,703	-	490,224
Fire Commission	-	-	-	10,412,169	2,278,059	-	12,690,228
Pleasant Valley Fire District	439,900	75,874	-	-	-	-	515,774
	<u>474,900</u>	<u>75,874</u>	<u>2,479,624</u>	<u>12,428,318</u>	<u>3,487,639</u>	<u>-</u>	<u>18,946,355</u>
Public works							
Airport	598,607	362,345	5,726,160	-	43,951	-	6,731,063
Roads and bridges	142,205	-	119,801	982,368	3,051,746	12,600,456	16,896,576
	<u>740,812</u>	<u>362,345</u>	<u>5,845,961</u>	<u>982,368</u>	<u>3,095,697</u>	<u>12,600,456</u>	<u>23,627,639</u>
Public health and welfare							
EMS	32,400	-	438,094	2,112,870	697,371	-	3,280,735
Coroner	-	-	-	59,900	-	-	59,900
Animal Control	5	-	99,000	80,656	60,840	-	240,501
Health services	3,333	-	1,043,000	-	-	-	1,046,333
	<u>35,738</u>	<u>-</u>	<u>1,580,094</u>	<u>2,253,426</u>	<u>758,211</u>	<u>-</u>	<u>4,627,469</u>
Culture and recreation	<u>1,158,529</u>	<u>-</u>	<u>7,436,867</u>	<u>266,212</u>	<u>330,391</u>	<u>-</u>	<u>9,191,999</u>
Total governmental funds capital assets	<u>\$4,168,845</u>	<u>\$ 1,624,310</u>	<u>\$ 28,118,090</u>	<u>\$16,250,817</u>	<u>\$9,173,065</u>	<u>\$ 12,600,456</u>	<u>\$ 71,935,583</u>

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2009

Function and Activity	Beginning of Year	Additions	Deletions	End of Year
General government administration				
Administration	\$ 15,515	\$ 11,942	\$ -	\$ 27,457
Finance	-	17,710	-	17,710
Building and zoning	158,505	-	-	158,505
Planning	9,945	-	-	9,945
Assessor	224,570	5,960	56,312	174,218
Auditor	43,287	-	-	43,287
Voter registration and elections	451,798	-	-	451,798
MIS	127,013	6,406	13,000	120,419
GIS	-	49,906	-	49,906
Economic Development	-	7,366	-	7,366
Non-departmental	9,788,515	2,282,146	-	12,070,661
	<u>10,819,148</u>	<u>2,381,436</u>	<u>69,312</u>	<u>13,131,272</u>
Administration of justice				
Clerk of Court	375,400	880,850	-	1,256,250
Probate Court	6,672	-	-	6,672
Family Court	129,290	-	-	129,290
Teen Court	6,469	-	-	6,469
Magistrate Courts	1,024,110	-	11,942	1,012,168
	<u>1,541,941</u>	<u>880,850</u>	<u>11,942</u>	<u>2,410,849</u>
Public safety and law enforcement				
E-911 Communications	530,332	-	10,961	519,371
Sheriff	3,866,106	721,695	109,908	4,477,893
Detention Center	252,865	-	-	252,865
Emergency Preparedness	497,028	24,796	31,600	490,224
Fire Commission	11,431,351	2,108,836	334,185	13,206,002
	<u>16,577,682</u>	<u>2,855,327</u>	<u>486,654</u>	<u>18,946,355</u>
Public works				
Airport	6,637,324	362,345	268,606	6,731,063
Roads and bridges	11,181,316	5,852,185	136,925	16,896,576
	<u>17,818,640</u>	<u>6,214,530</u>	<u>405,531</u>	<u>23,627,639</u>
Public health and welfare				
EMS	2,749,607	705,851	114,823	3,340,635
Animal Control	245,525	-	5,024	240,501
Health services	1,046,333	-	-	1,046,333
	<u>4,041,465</u>	<u>705,851</u>	<u>119,847</u>	<u>4,627,469</u>
Culture and recreation	<u>8,281,730</u>	<u>2,989,780</u>	<u>2,079,511</u>	<u>9,191,999</u>
Total governmental funds capital assets	<u>\$59,080,606</u>	<u>\$ 16,027,774</u>	<u>\$ 3,172,797</u>	<u>\$ 71,935,583</u>

**SUPPLEMENTARY INFORMATION REQUIRED
BY THE STATE OF SOUTH CAROLINA**

SCHEDULE 26

LANCASTER COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURTS
FOR THE YEAR ENDED JUNE 30, 2009

	Total Collections	Amount Retained by County Treasurer	Amount Remitted to State Treasurer	Amount Allocated to Victims' Services
Clerk of Court:				
Fines and fees	\$ 212,650	\$ 66,490	\$ 146,160	\$ -
Assessments	20,080	5,441	14,639	5,441
Surcharges	32,193	25,616	6,577	25,616
	<u>\$ 264,923</u>	<u>\$ 97,547</u>	<u>\$ 167,376</u>	<u>\$ 31,057</u>
Magistrate Courts:				
Fines and fees	\$ 587,587	\$ 551,501	\$ 36,086	\$ -
Assessments	436,074	43,669	392,405	43,669
Surcharges	194,921	25,408	169,513	25,408
	<u>\$ 1,218,582</u>	<u>\$ 620,578</u>	<u>\$ 598,004</u>	<u>\$ 69,077</u>
Family Court:				
Fines and fees	\$ 387,280	\$ 165,224	\$ 222,056	\$ -
Assessments	-	-	-	-
Surcharges	-	-	-	-
	<u>\$ 387,280</u>	<u>\$ 165,224</u>	<u>\$ 222,056</u>	<u>\$ -</u>
Public Defender:				
Fines and fees	\$ 10,520	\$ -	\$ 10,520	\$ -
Assessments	-	-	-	-
Surcharges	-	-	-	-
	<u>\$ 10,520</u>	<u>\$ -</u>	<u>\$ 10,520</u>	<u>\$ -</u>
Probate Court:				
Fines and fees	\$ 152,021	\$ 142,596	\$ 9,425	\$ -
Assessments	-	-	-	-
Surcharges	-	-	-	-
	<u>\$ 152,021</u>	<u>\$ 142,596</u>	<u>\$ 9,425</u>	<u>\$ -</u>
Total	<u>\$ 2,033,326</u>	<u>\$ 1,025,945</u>	<u>\$ 1,007,381</u>	<u>\$ 100,134</u>
Victim Assistance				
Amount reserved for victim assistance, 6/30/08				\$ (6,506)
Plus: Amount allocated for victim assistance, 7/1/08-6/30/2009				100,134
Less: Amounts spent for victim assistance in fiscal year 2009				
from assessments and surcharges:				
Salaries and benefits			72,360	
Operating expenditures			6,728	
Direct assistance to other agencies			-	
				<u>(79,088)</u>
Balance reserved for victim assistance, 6/30/09				<u>\$ 14,540</u>

STATISTICAL SECTION

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Note: During fiscal year 2008, it was determined that the Lancaster County Airport Commission, Lancaster County Library, & Joint Recreation Commission of Lancaster County did not meet the definition of a legally separate entity for financial reporting purposes, therefore these entities are included with the County's financial statements beginning in fiscal year 2008. Prior years have not been restated in the statistical section.

Lancaster County, South Carolina
Net Assets by Component Unit
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006 (1)	2007 (1)	2008 (2)	2009 (3)
Governmental Activities:							
Primary government							
Invested in capital assets, net of related debt	\$ 7,308,965	\$ 7,619,726	\$ 8,318,341	\$ 9,648,288	\$ 13,838,835	\$ 18,128,925	\$ 27,608,973
Restricted	3,056,345	3,696,532	3,384,709	3,531,482	3,201,375	3,557,298	3,668,396
Unrestricted	4,368,758	5,233,610	6,674,834	42,178,027	25,027,627	39,197,629	21,506,800
Total primary government net assets	<u>\$ 14,734,068</u>	<u>\$ 16,549,868</u>	<u>\$ 18,377,884</u>	<u>\$ 55,357,797</u>	<u>\$ 42,067,837</u>	<u>\$ 60,883,852</u>	<u>\$ 52,784,169</u>

(1) Fiscal years 2006 & 2007 include net assets related to the Sun City & Edenmoor Special Assessment Districts and the Bailes Ridge special source revenue bonds.

(2) Fiscal year 2008 includes net assets related to the Edgewater II Improvement District.

(3) Fiscal year 2009 includes net assets related to the SCAGO Public Facilities Corporation.

Lancaster County, South Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2000	2001(1)	2002	2003	2004	2005	2006(2)	2007	2008 (3)	2009 (4)
General fund										
Reserved	\$ 988,124	\$ 1,145,886	\$1,347,253	\$1,812,450	\$1,946,879	\$2,263,014	\$ 2,397,155	\$ 4,353,422	\$ 3,983,761	\$ 2,450,301
Unreserved	2,180,090	3,100,924	4,266,649	4,294,798	4,348,651	5,645,672	10,221,736	13,626,979	13,672,743	15,461,511
Total general fund	3,168,214	4,246,810	5,613,902	6,107,248	6,295,530	7,908,686	12,618,891	17,980,401	17,656,504	17,911,812
All other governmental funds										
Reserved	356,151	445,665	464,980	471,660	465,521	555,182	540,545	555,477	985,901	5,382,530
Unreserved, reported in:										
Special revenue funds	911,866	290,990	830,430	1,508,765	1,832,934	1,471,904	1,738,428	1,465,509	2,723,258	3,184,088
Capital projects funds	3,849,550	5,564,922	1,794,879	622,363	1,080,094	50,981	32,852,478	10,531,215	22,932,726	38,941,499
Total all other governmental funds	5,117,567	6,301,577	3,090,289	2,602,788	3,378,549	2,078,067	35,131,451	12,552,201	26,641,885	47,508,117
Total fund balances all governmental funds	\$ 8,285,781	\$10,548,187	\$8,704,191	\$8,710,036	\$9,674,079	\$9,986,753	\$47,750,342	\$30,532,602	\$44,298,389	\$65,419,929

- (1) Property tax revenues increased as a result of tax year 2000 reassessment. The County also increased its debt service millage for capital projects.
- (2) FY 2006 includes Sun City & Edenmoor Improvement Districts & Bailes Ridge Business Park.
- (3) During fiscal year 2008, it was determined that the Lancaster County Airport Commission, Lancaster County Library, & Joint Recreation Commission of Lancaster County did not meet the definition of a legally separate entity for financial reporting purposes, therefore these entities are included with the County's financial statements beginning in fiscal year 2008. Prior years have not been restated in the statistical section. FY 2008 includes revenues and expenditures related Edgewater II Improvement District.
- (4) FY 2009 includes net assets related to the SCAGO Public Facilities Corporation.

Lancaster County, South Carolina
Tax Revenues By Source - Governmental Funds
Last Seven Fiscal Years
(accrual basis of accounting)

Fiscal Year	Real Property Tax (1)	Vehicle Tax	Local Option Sales Tax	Road		Other Taxes	Total
				Improvement Fee Tax			
2003	\$ 7,523,080	\$ 1,510,958	\$ 2,711,358	\$ 766,113		\$ 567,252	\$ 13,078,761
2004	8,057,384	1,700,426	3,038,210	785,085		552,655	14,133,760
2005	9,221,739	1,730,225	3,222,394	808,047		324,779	15,307,184
2006	11,320,315	1,892,385	3,469,553	841,164		573,306	18,096,723
2007	12,265,925	1,883,051	3,858,246	888,345		309,073	19,204,640
2008	13,952,327	1,739,865	3,929,649	939,535		472,394	21,033,770
2009	17,724,858	1,876,027	3,774,249	959,633		522,663	24,857,430

(1) Includes ad valorem, penalties, inventory tax, homestead, manufacturer exemption, and payments in-lieu-of tax.

Lancaster County, South Carolina
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006 (1)	2007 (2)	2008 (3)	2009 (4)
Expenses							
Governmental activities primary government:							
General government administration	\$ 4,889,758	\$ 6,327,430	\$ 6,306,575	\$ 7,483,550	\$ 8,047,777	\$ 9,641,480	\$ 11,004,706
Public safety and law enforcement	6,156,928	7,044,593	7,501,336	7,561,537	8,187,570	10,108,792	10,747,904
Public works	2,280,307	2,930,478	4,073,435	3,952,300	4,710,191	7,463,470	6,050,232
Other activities	8,375,264	13,582,494	7,198,909	26,306,466	32,156,327	25,912,261	26,872,414
Total primary government expenses	21,702,257	29,884,995	25,080,255	45,303,853	53,101,865	53,126,003	54,675,256
Program Revenues							
Governmental activities primary government:							
Charges for services:							
General government administration	1,185,178	1,449,750	1,895,518	4,048,551	5,322,718	4,472,351	2,521,991
Administration of justice	870,445	832,818	851,113	902,749	932,736	1,230,302	1,198,420
Public health and welfare	1,818,974	1,688,930	1,268,397	2,136,481	2,115,531	2,274,497	2,191,295
Other activities	279,844	260,073	374,316	431,714	569,592	1,628,022	1,574,402
Operating grants and contributions	1,910,207	2,160,808	2,877,672	49,655,511	3,379,663	31,083,768	2,775,364
Capital grants and contributions	1,932,247	8,455,964	305,907	564,598	1,360,234	832,855	5,555,897
Total primary government program revenues	7,996,895	14,848,343	7,572,923	57,739,604	13,680,474	41,521,795	15,817,369
Net (Expense) Revenue	(13,705,362)	(15,036,652)	(17,507,332)	12,435,751	(39,421,391)	(11,604,208)	(38,857,887)
Total primary government net expense							
General Revenues and Other Changes in Net Assets							
Governmental activities primary government:							
Property taxes	11,745,396	12,796,020	14,174,358	16,682,253	18,007,222	19,646,513	23,375,134
Other taxes and licenses	1,333,365	1,337,740	1,132,826	1,414,470	1,197,417	1,387,257	1,482,296
Grants and contributions not restricted to specific programs	2,784,032	2,806,318	2,848,762	2,976,711	3,271,149	4,510,153	4,492,562
Unrestricted interest income	73,452	39,615	121,134	322,854	1,653,578	1,254,997	374,332
Other	63,230	9,393	156,735	776,925	293,010	500,844	1,033,880
Transfers				2,370,949	(689,885)	-	
Total general revenues, special items, and transfers primary government	15,999,475	16,989,086	18,433,815	24,544,162	23,732,491	27,299,764	30,758,204
Changes in Net Assets							
Total primary government changes in net assets	\$ 2,294,113	\$ 1,952,434	\$ 925,483	\$ 36,979,913	\$ (15,688,900)	\$ 15,695,556	\$ (8,099,663)

(1) FY 2006 includes Sun City & Edenmoor Improvement Districts & Bailes Ridge Business Park.

(2) FY 2007 includes \$17,312,904 in expenditures for the Edenmoor Improvement District.

(3) During fiscal year 2008, it was determined that the Lancaster County Airport Commission, Lancaster County Library, & Joint Recreation Commission of Lancaster County did not meet the definition of a legally separate entity for financial reporting purposes, therefore these entities are included with the County's financial statements beginning in fiscal year 2008. Prior years have not been restated in the statistical section. FY 2008 includes revenues and expenditures related to the Edgewater II Improvement District.

(4) FY 2009 includes revenues and expenditures related to SCAGO Public Facilities Corporation.

Lancaster County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 9,683,295	\$ 11,077,336	\$ 11,705,071	\$ 12,768,264	\$ 13,864,651	\$ 15,297,672	\$ 17,986,185	\$ 19,210,716	\$ 20,976,717	\$ 24,289,541
Intergovernmental revenue	5,585,455	5,957,219	5,198,537	6,449,610	5,455,807	5,561,542	5,612,714	7,143,069	7,722,481	6,780,712
Licenses and permits	849,267	948,120	1,186,811	1,352,225	1,608,618	2,048,755	4,227,204	5,418,167	4,720,883	2,727,033
Charges for services	1,469,200	1,764,626	1,924,989	1,680,700	1,755,095	1,970,615	2,278,912	2,522,904	3,541,004	3,814,421
Fines, fees, and forfeitures	994,417	1,048,235	968,122	929,355	842,430	950,152	918,949	947,023	1,038,828	964,382
Contributions and donations	127,357	148,989	125,760	147,153	22,259	393,053	484,458	379,263	2,324,810	458,171
Interest income	321,782	386,589	183,432	75,076	67,555	125,034	544,821	1,964,141	1,360,491	383,775
Contributions from property owners	-	-	-	-	7,794,512	-	46,541,631	(4,988,640)	26,131,035	16,254
Other	813,548	1,044,083	1,241,456	10,013	9,393	346,717	829,641	189,725	201,003	163,445
Total revenues	19,854,321	22,375,287	22,535,178	23,412,396	31,420,420	26,693,540	79,404,515	32,786,368	68,017,052	39,607,734
Expenditures										
General government	4,362,314	5,567,071	5,134,282	5,055,697	5,968,263	6,362,781	7,225,795	7,824,858	9,508,392	10,916,594
Administration of justice	1,003,035	1,160,533	1,183,882	1,118,761	1,156,928	1,297,475	1,350,238	1,355,332	2,588,256	4,667,838
Public safety and law enforcement	5,253,787	5,379,631	5,723,547	6,338,620	6,901,684	7,842,458	8,959,935	8,160,736	13,910,070	12,337,057
Public works	4,780,884	4,581,991	3,598,522	2,750,719	3,299,478	4,145,391	4,452,345	5,237,436	7,008,791	5,438,901
Public health and welfare	2,528,253	3,002,662	3,247,879	3,161,380	3,255,273	3,911,090	4,274,274	4,232,343	4,507,153	5,523,364
Economic development	-	-	2,303,436	8,022,796	154,973	19,697,038	20,492,644	18,819,783	14,647,485	14,647,485
Other	596,742	709,117	288,128	2,293	465,972	478,482	738,890	738,022	3,564,609	4,570,651
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal retirement	275,000	175,000	225,000	761,811	818,029	1,198,520	1,740,020	1,886,886	2,132,673	2,004,577
Interest & other charges	197,505	395,114	537,989	663,557	705,305	723,953	654,713	721,550	621,290	1,370,994
Capital Outlay (1)	1,093,291	2,821,173	4,248,105	1,195,908	94,367	1,284,308	-	-	64,488	-
Total expenditures	20,090,811	23,782,282	24,187,334	23,372,182	30,668,095	27,389,431	49,093,248	50,649,807	62,725,505	61,477,461
Excess of revenues over (under) expenditures	(236,490)	(1,417,015)	(1,652,156)	40,214	732,325	(705,891)	30,311,267	(17,863,439)	5,291,547	(21,869,727)
Other financing sources (uses)										
Extraordinary item - Insurance recoveries	-	-	-	-	-	-	-	-	-	827,397
Proceeds from capital leases	411,035	233,470	622,000	422,455	366,654	1,203,504	2,152,320	645,700	-	2,338,651
Bond proceeds	4,915,000	4,110,000	-	-	-	-	2,929,053	-	7,463,709	43,040,000
Premium on bond	-	-	-	-	-	-	-	-	-	1,302,907
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	(4,586,438)
Sale of capital assets	-	44,907	50,052	54,116	-	-	-	-	87,900	38,549
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	(872,385)	(955,659)	(863,892)	(1,008,000)	-	(207,310)	116,657	116,657	2,397,963	2,461,432
Total other financing sources (uses)	4,453,650	3,432,718	(191,840)	(531,429)	366,654	996,194	7,452,322	645,700	7,551,609	42,991,286
Net change in fund balances	\$ 4,217,160	\$ 2,015,703	\$ (1,843,996)	\$ (491,215)	\$ 1,098,979	\$ 290,303	\$ 37,763,589	\$ (17,217,739)	\$ 12,843,156	\$ 21,121,539
Debt service as a percentage of noncapital expenditures	2.57%	3.06%	3.99%	7.04%	5.08%	7.78%	5.21%	5.37%	5.30%	6.66%

(1) The County includes capital outlay expenditures in the function/program expenditures. For FY 2009, capital expenditures totaled \$10,829,025.

Lancaster County, South Carolina
Tax Revenues By Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	(1) Real Property Tax	Vehicle Tax	Local Option Sales Tax	Road Improvement Fee Tax	Other Taxes	Total
2000	\$ 4,462,730	\$ 1,445,613	\$ 2,814,167	\$ 734,200	\$ 236,585	\$ 9,693,295
2001	5,432,794	1,770,455	2,855,660	741,736	276,791	11,077,336
2002	6,014,181	1,682,981	2,936,515	762,178	309,216	11,705,071
2003	7,461,685	1,510,958	2,711,358	766,113	318,150	12,768,264
2004	8,038,116	1,700,426	3,038,210	785,085	302,814	13,864,651
2005	9,212,227	1,730,225	3,222,394	808,047	324,779	15,297,672
2006	11,232,168	1,892,385	3,469,553	841,164	550,915	17,986,185
2007	12,249,611	1,883,051	3,858,246	888,345	331,463	19,210,716
2008	13,895,274	1,739,865	3,929,649	939,535	472,394	20,976,717
2009	17,156,969	1,876,027	3,774,249	959,633	522,663	24,289,541

(1) Includes ad valorem, penalties, inventory tax, homestead, manufacturer exemption, and payments in-lieu-of tax.

Lancaster County, South Carolina
General Fund Revenues by Source (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended June 30	Property Taxes	Inter- governmental	Licenses and Permits	Charges for Services	Fines, Fees, and Forfeitures	Other	Total Revenues	Other Financing Sources	Grand Total Revenues Including Other Financing Sources
2000	9,032,753	4,507,252	849,267	1,469,200	994,417	1,074,856	17,927,745	411,035	18,338,780
2001	10,434,452	4,717,168	948,120	1,764,626	1,048,295	1,122,327	20,034,988	728,377	20,763,365
2002	10,929,340	4,118,178	1,186,811	1,924,989	969,122	1,178,634	20,307,074	672,052	20,979,126
2003	10,849,364	5,366,165	1,352,225	1,680,700	929,355	1,285,041	21,462,850	476,571	21,939,421
2004	11,943,317	4,313,555	1,608,618	1,755,095	842,430	1,140,821	21,603,836	366,654	21,970,490
2005	13,182,936	3,936,364	2,048,755	1,970,615	950,152	1,963,282	24,052,104	1,203,504	25,255,608
2006	14,868,221	3,798,382	4,227,204	2,278,912	918,949	2,939,896	29,031,564	2,152,320	31,183,884
2007	16,233,182	3,804,301	5,418,167	2,314,704	944,729	2,364,295	31,079,378	645,700	31,725,078
2008	17,283,962	4,081,807	4,720,683	2,441,711	993,137	3,486,155	33,007,455	87,900	33,095,355
2009	18,511,312	3,885,211	2,727,033	2,638,151	914,503	1,658,131	30,334,341	2,392,400	32,726,741

Lancaster County, South Carolina
General Fund Expenditures by Function (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended June 30	General Government	Administration of Justice	Public Safety & Law Enforcement	Public Works	Public Health & Welfare	Other	Debt Service (2)	Total Expenditures	Other Financing Uses	Grand Total Expenditures Including Other Financing Uses
2000	3,976,920	1,003,035	5,253,787	3,263,882	2,528,253	595,952	385,394	17,007,223	872,385	17,879,608
2001	5,165,913	1,160,533	5,379,631	3,158,172	3,002,652	707,954	401,158	18,976,013	955,659	19,931,672
2002	4,688,381	1,183,882	5,723,547	3,056,393	3,247,879	286,671	435,901	18,632,654	979,180	19,611,834
2003	5,055,697	1,118,761	6,338,620	2,340,051	3,161,380	2,303,436	617,190	20,935,135	1,008,000	21,943,135
2004	5,968,263	1,156,928	6,901,684	2,473,644	3,255,273	1,209,316	682,164	21,647,272	-	21,647,272
2005	6,362,781	1,297,475	7,842,458	2,597,211	3,911,090	633,455	1,020,353	23,664,823	-	23,664,823
2006	7,041,917	1,350,238	8,792,702	3,257,399	4,274,274	845,705	911,444	26,473,679	-	26,473,679
2007	7,237,294	1,355,332	7,996,671	3,543,650	4,158,251	1,125,510	830,203	26,246,911	116,657	26,363,568
2008	8,707,826	1,444,667	9,297,736	5,132,361	4,478,572	1,218,228	560,022	30,839,412	2,397,963	33,237,375
2009	10,019,189	1,471,056	8,360,088	4,011,450	5,500,232	430,948	240,747	30,033,710	2,437,723	32,471,433

(1) Includes only general funds. The E-911 fund was included in general funds for fiscal years 2000-2007.

(2) Does not include G.O. bonds

Lancaster County, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Levy Year	Real Property			Personal Property			Total			Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2000	1999	\$ 59,897,205	\$ 1,197,944,100	\$ 64,617,634	\$ 618,062,394	\$ 124,514,839	\$ 1,816,006,494	\$ 1,816,006,494	\$ 1,816,006,494	\$ 1,816,006,494	6.86%	72.00
2001	2000 (2)	86,575,525	1,731,510,500	76,739,476	733,638,806	163,315,001	2,465,149,306	2,465,149,306	2,465,149,306	2,465,149,306	6.62%	62.00
2002	2001	90,143,583	1,802,871,660	76,515,127	740,134,794	166,658,710	2,543,006,454	2,543,006,454	2,543,006,454	2,543,006,454	6.55%	66.00
2003	2002	94,097,949	1,881,958,980	71,348,521	708,821,402	165,446,470	2,590,780,382	2,590,780,382	2,590,780,382	2,590,780,382	6.39%	67.00
2004	2003	98,185,129	1,963,702,580	70,496,155	720,939,759	168,681,284	2,684,642,339	2,684,642,339	2,684,642,339	2,684,642,339	6.28%	70.73
2005	2004	103,881,998	2,077,639,960	69,500,928	733,697,829	173,382,926	2,811,337,789	2,811,337,789	2,811,337,789	2,811,337,789	6.17%	76.50
2006	2005	112,399,925	2,247,998,500	68,955,351	727,381,423	181,355,276	2,975,379,923	2,975,379,923	2,975,379,923	2,975,379,923	6.10%	86.50
2007	2006 (2)	157,645,060	3,152,901,200	71,731,401	819,867,905	229,376,461	3,972,769,105	3,972,769,105	3,972,769,105	3,972,769,105	5.77%	71.50
2008	2007	172,404,224	3,448,084,480	74,291,673	867,419,977	246,695,897	4,315,504,457	4,315,504,457	4,315,504,457	4,315,504,457	5.72%	73.80
2009	2008	201,753,816	4,035,076,320	71,159,910	836,636,302	272,913,726	4,871,712,622	4,871,712,622	4,871,712,622	4,871,712,622	5.60%	82.20

(1) Source: Lancaster County Auditor: Includes all assessments including fee-in-lieu, joint industrial park, and reimbursement assessments.

(2) Real property was reassessed.

Note: Real property in Lancaster County is reassessed once every four years with a one year lag for implementation, unless there is a physical or legal change affecting the property. The county assesses real property at 4-6% (legal residency is 4%) of the appraised value. Personal property is assessed at 10.5% of market value, except railroads (9.5%), motor homes (6%) and motor vehicles (6%). The motor vehicle assessment ratio has been declining by .75% each year since 2002 and stopped declining at 6% in 2007.

Lancaster County, South Carolina
Property Tax Millage Rates of Direct and Overlapping Governments (1)
Last Ten Fiscal Years

Lancaster County										Lancaster County School District					Overlapping Rates			
Levy Year Ended December 31	Fiscal Year Ended June 30	County					Total			University of S.C. Lancaster	Town of Heath Springs	Town of Kershaw	City of Lancaster	Total Direct & Overlapping Rates				
		County Operating	County Debt	County t & Court Security	County Capital Improvement	Total County	School Operating	School Debt	Total School District									
1999	2000	66.00	6.00	0.00	0.00	72.00	143.00	47.00	190.00	4.00	0.00	76.00	144.00	486.00				
2000	2001	58.00	4.00	0.00	0.00	62.00	123.50	40.50	164.00	2.00	0.00	76.00	140.10	444.10				
2001	2002	61.00	5.00	0.00	0.00	66.00	128.50	38.50	167.00	2.00	0.00	76.00	140.10	451.10				
2002	2003	62.00	5.00	0.00	0.00	67.00	133.50	38.50	172.00	2.50	0.00	77.60	142.10	461.20				
2003	2004	65.80	4.93	0.00	0.00	70.73	138.50	38.50	177.00	2.50	0.00	78.80	144.00	473.03				
2004	2005	70.80	5.70	0.00	0.00	76.50	143.50	38.50	182.00	3.50	0.00	78.80	147.00	487.80				
2005	2006	76.50	5.00	5.00	5.00	86.50	143.50	38.50	182.00	3.50	0.00	78.80	150.00	500.80				
2006	2007	64.00	3.50	4.00	4.00	71.50	119.00	38.50	157.50	3.00	0.00	64.80	137.00	433.80				
2007	2008	66.50	5.40	4.00	4.00	75.90	123.50	43.50	167.00	3.10	0.00	64.80	140.00	450.80				
2008	2009	66.70	8.00	7.50	7.50	82.20	128.50	43.50	172.00	3.30	0.00	64.80	143.50	465.80				

Source: Lancaster County Auditor

(1) Overlapping rates are those of local governments that apply to property owners within Lancaster County. Not all overlapping rates apply to all Lancaster County property owners (ex. the rates for the City of Lancaster apply only to the proportion of property owners whose property is located within the geographic boundaries of the City of Lancaster.)

Note: Millage rates were rolled back in fiscal years 2001 and 2007 due to real property reassessments.

Lancaster County, South Carolina
Principal Property Tax Payers
Current Fiscal Year and Nine Fiscal Years Ago

Taxpayers	Fiscal Year 2009				Fiscal Year 2000			
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)
Duke Energy	\$ 6,916,540	1	3.43%	\$ 1,831,125	\$ 4,887,870	3	4.14%	\$ 1,323,197
Springs Global	6,690,873	2	3.32%	1,632,280	9,160,068	1	7.76%	2,234,685
The Gillette Company	4,165,378	3	2.06%	1,580,675	7,569,912	2	6.42%	1,643,212
Lancaster Hospital Corp.	4,217,070	4	2.09%	1,497,376	2,835,580	4	2.40%	992,590
Pulte Home Corp.	5,101,788	5	2.53%	1,202,543				
Springland Associates	2,258,020	6	1.12%	783,961	850,450	6	0.72%	291,595
Lancaster Telephone Co.	1,726,810	7	0.86%	503,768	1,460,610	5	1.24%	445,464
Craft Development	1,939,360	8	0.96%	478,676				
Lawson Bend LLC	1,692,820	9	0.84%	417,816				
LGI Land SC LLC	1,273,300	10	0.63%	294,706				
Kanawha					626,740	7	0.53%	229,742
Boral Bricks					816,370	8	0.69%	199,563
Rexham, Inc.					806,690	9	0.68%	180,967
Belden Wire & Cable					674,737	10	0.57%	179,480
Total assessed value of ten largest taxpayers	\$ 35,981,959			\$ 10,222,926	\$ 29,689,027			\$ 7,720,495
Total assessed value of all taxpayers	201,753,816		100.00%		\$ 117,991,705		100.00%	

Source: Lancaster County Treasurer

(1) Taxes paid includes amounts paid to other taxing authorities within Lancaster County.

Lancaster County, South Carolina
Real Property Tax Levies and Collections
Last Ten Years

Levy Year	Collected within the Fiscal Year of the Levy					Collections in Subsequent Years	Total Collections to Date	
	Original Levy	Adjustments	Total Adjusted Levy	Amount	Percentage Adjusted Levy		Amount	Percentage of Adjusted Levy
1999	\$ 5,733,101	\$ 14,596	\$ 5,747,697	\$ 5,527,860	96.2%	\$ 215,826	\$ 5,743,686	99.93%
2000	4,948,569	847,996	5,796,565	5,605,387	96.7%	188,335	5,793,722	99.95%
2001	5,546,725	674,065	6,220,790	6,038,667	97.1%	177,106	6,215,773	99.92%
2002	6,220,586	527,371	6,747,957	6,512,732	96.5%	223,934	6,736,666	99.83%
2003	6,681,529	751,723	7,433,252	7,119,362	95.8%	302,350	7,421,712	99.84%
2004	7,317,411	1,141,630	8,459,041	8,140,090	96.2%	300,874	8,440,964	99.79%
2005	9,279,454	1,084,008	10,363,462	10,036,563	96.8%	297,752	10,334,315	99.72%
2006	11,116,412	153,457	11,269,869	10,837,919	96.2%	392,311	11,230,230	99.65%
2007	12,413,953	687,570	13,101,523	12,596,199	96.1%	414,228	13,010,427	99.30%
2008	16,324,750	(40,012)	16,284,738	15,243,682	93.6%	-	15,243,682	93.61%

Source: Lancaster County Treasurer

Lancaster County, South Carolina
Vehicle Property Tax Levies and Collections
Last Ten Years

Levy Year	Collected within the Year of the Levy (1)				Total Collections to Date			
	Original Levy	Adjustments	Total Adjusted Levy	Amount	Percentage of Adjusted Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
1999	\$ 1,277,330	\$ 352,399	\$ 1,629,729	\$ 1,620,066	99.4%	1,156	\$ 1,621,222	99.48%
2000	1,289,271	473,787	1,763,058	1,753,596	99.5%	1,312	1,754,908	99.54%
2001	1,297,907	436,489	1,734,396	1,729,882	99.7%	796	1,730,678	99.79%
2002	1,330,090	370,590	1,700,680	1,695,280	99.7%	1,221	1,696,501	99.75%
2003	1,469,166	232,022	1,701,188	1,693,236	99.5%	3,478	1,696,714	99.74%
2004	1,482,117	323,689	1,805,806	1,716,302	95.0%	85,719	1,802,021	99.79%
2005	1,486,566	298,827	1,785,393	1,703,928	95.4%	75,739	1,779,667	99.68%
2006	1,569,338	465,025	2,034,363	1,942,620	95.5%	85,969	2,028,589	99.72%
2007	1,270,405	451,877	1,722,282	1,607,309	93.3%	64,776	1,672,085	97.09%
2008	1,492,012	319,522	1,811,534	1,694,729	93.6%	-	1,694,729	93.55%

(1) 1999-2004 collected within the year of the levy also includes collections for previous years levies.

Source: Lancaster County Treasurer

Lancaster County, South Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities									
Fiscal Year	General Obligation Bonds (8% Debt Limit)	SCAGO Public Facilities		Special Source Revenue Bonds		Mortgages Payable	Total Primary Government	Percentage of Personal Income	Per Capita
		Revenue Bonds	Installment Purchase	Capital Leases	Bonds				
2000	\$ 7,140,000			\$ 2,263,564	\$ -	\$ 533,691	\$ 9,937,255	0.81%	\$ 162
2001	11,075,000			2,151,767	-	477,800	13,704,567	1.11%	223
2002	10,850,000			2,396,550	-	419,116	13,665,666	1.07%	222
2003	10,600,000			2,307,194	-	357,500	13,264,694	1.00%	213
2004	10,325,000			2,195,499	-	292,821	12,813,320	0.96%	205
2005	9,975,000			2,618,397	-	224,907	12,818,304	0.91%	203
2006	9,550,000			3,532,241	2,973,658	153,956	16,209,855	1.09%	257
2007	9,115,000			2,800,930	2,973,658	78,722	14,968,310	0.97%	209
2008	15,737,402			1,579,739	2,973,658	-	20,290,799	1.25%	276
2009	14,764,408	38,410,000		3,202,000	2,973,658	-	59,350,066	N/A	782

Notes:

Population data & personal income data can be found in the Schedule of Demographic and Economic Statistics.

Special Source Revenue Bonds for Bailes Ridge Improvement District were issued in fiscal year 2006.

Personal income estimates were not available for fiscal year 2009.

SCAGO Public Facilities installment purchase revenue bonds were issued in fiscal year 2009.

Lancaster County, South Carolina
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Debt Per Capita (2)</u>
2000	\$ 7,140,000	0.39%	\$ 116
2001	11,075,000	0.45%	180
2002	10,850,000	0.43%	176
2003	10,600,000	0.41%	170
2004	10,325,000	0.38%	165
2005	9,975,000	0.35%	158
2006	9,550,000	0.32%	151
2007	9,115,000	0.23%	127
2008	15,737,402	0.36%	214
2009	14,764,408	0.30%	194

Notes:

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.

Lancaster County, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to County	Amount Applicable to County
Direct:			
Lancaster County	\$ 14,764,408	100%	\$ 14,764,408
Overlapping:			
City of Lancaster	670,000	100%	670,000
Lancaster School District	27,180,000	100%	27,180,000
	<u>27,850,000</u>		<u>27,850,000</u>
Total direct and overlapping debt	<u>\$ 42,614,408</u>		<u>\$ 42,614,408</u>

Sources: Lancaster County Treasurer, City of Lancaster and Lancaster County School District

Lancaster County, South Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 10,017,006	\$ 13,121,019	\$ 13,388,515	\$ 13,291,536	\$ 13,550,321	\$ 13,926,453	\$ 14,586,682	\$ 18,405,935	\$ 18,474,600	\$ 20,861,043
Total net debt applicable to limit	7,140,000	11,075,000	10,850,000	10,600,000	10,325,000	9,975,000	9,550,000	9,115,000	15,737,402	14,764,408
Legal debt margin	\$ 2,877,006	\$ 2,046,019	\$ 2,538,515	\$ 2,691,536	\$ 3,225,321	\$ 3,951,453	\$ 5,036,682	\$ 9,290,935	\$ 2,737,198	\$ 6,096,635

Total net debt applicable to the limit
as a percentage of debt limit

71.28% 84.41% 81.04% 79.75% 76.20% 71.63% 65.47% 49.52% 85.18% 70.78%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value (1)	\$ 259,200,968
Add back: exempt Merchant Inventory (2)	1,562,070
Total assessed value	260,763,038
Debt limit (8% of assessed value) (3)	20,861,043
Debt applicable to limit:	
General obligation bonds	14,764,408
Legal debt margin without a referendum (4)	\$ 6,096,635

Notes:

- (1) Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule. Fee-in-lieu, joint industrial park, & reimbursement assessments are not included in the assessed value for debt limit calculation.
- (2) Business inventory is exempt from tax, but its 1987 assessed value of \$1,562,070 is included in the computation of the legal debt margin.
- (3) The legal debt limit is 8 percent of total assessed value.
- (4) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Lancaster County, South Carolina
Demographic and Economic Statistics
Last Ten Years

Fiscal Year	County Population (1)*	Total Personal Income (In Thousands) (1)*	Per Capita Income*	School Enrollment (2)	Unemployment Rate (3)
2000	61,351	1,225,057	19,968	10,805	4.7%
2001	61,470	1,238,621	20,150	11,144	5.3%
2002	61,590	1,278,916	20,765	10,804	6.6%
2003	62,220	1,323,233	21,267	10,885	12.9%
2004	62,520	1,328,000	21,269	10,888	11.0%
2005	63,135	1,401,000	22,191	10,875	8.2%
2006	63,113	1,486,000	23,545	11,023	9.6%
2007	71,723	1,542,045	21,500	11,171	8.8%
2008	73,393	1,620,517	22,080	11,274	10.1%
2009	75,913	n/a	n/a	11,508	19.1%

Sources:

- (1) Bureau of Census/SC Budget & Control Board Office of Research & Statistics/Bureau of Economic Analysis. All are estimates except the year 2000 which was based on the census. Personal income and per capita income estimates were not available for 2009.
- (2) Based on 135-Day Enrollment Reports for Lancaster County School District Schools.
- (3) S.C. Employment Security Commission.

* Statistics are based on calendar year ending December 31 prior to the fiscal year ending date.

Lancaster County, South Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	2009			2000 (1)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lancaster County Schools	1,621	1	5.37%	1,330	2	4.72%
Lancaster County (2)	740	2	2.45%	335	7	1.19%
Springs Memorial Hospital	712	3	2.36%	650	4	2.30%
Cardinal Health	700	4	2.32%	440	6	1.56%
KMG America	450	5	1.49%	360	8	1.28%
Duracell	389	6	1.29%	1,000	3	3.55%
Wal-Mart	382	7	1.27%			
Continental Tire	375	8	1.24%			
Springs Industries	310	9	1.03%	5,344	1	18.95%
Kershaw Correctional Institution	278	10	0.92%			
Founders Federal Credit Union				246	9	0.87%
US Textile Corporation				475	5	1.68%
Beldon Wire & Cable				200	10	0.71%
Total	5,957		19.75%	10,380		36.80%
Total Labor Force	30,161			28,203		

Source: *The Lancaster News*, Lancaster County Chamber of Commerce, and SC Employment Security Commission

(1) 1999 data used due to unavailability of fiscal year 2000 data

(2) Fiscal year 2009 includes part-time poll workers as employees

Lancaster County, South Carolina
Full-time Equivalent County Government Employees by Function
Last Seven Fiscal Years

Function	Full-time Equivalent Employees as of June 30						
	2003	2004	2005	2006	2007	2008	2009
General Government Administration	66.50	69.00	70.50	72.50	79.00	84.00	87.00
Administration of Justice	24.50	26.50	27.50	27.00	27.00	27.50	27.50
Culture & Recreation	34.50	36.00	40.50	43.00	43.00	46.00	54.00
Public Safety & Law Enforcement	114.00	130.50	131.50	127.50	135.50	140.00	152.00
Public Works	36.50	37.00	36.00	36.50	38.50	41.50	42.50
Public Health & Welfare	54.50	57.50	64.00	59.00	66.50	74.00	83.00
	<u>330.50</u>	<u>356.50</u>	<u>370.00</u>	<u>365.50</u>	<u>389.50</u>	<u>413.00</u>	<u>446.00</u>

Source: Lancaster County Finance Department payroll records and Lancaster County Library.

Lancaster County, South Carolina
Operating Indicators by Function
Last Seven Fiscal Years

	Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Administration of Justice							
Clerk of Court general sessions cases disposed	1,489	1,236	1,824	1,792	1,257	1,591	1,550
Family Court cases disposed	1,261	1,053	980	1,003	1,047	827	975
Magistrate Court							
Criminal Docket total cases filed	2,394	1,859	1,933	2,677	2,881	2,442	2,258
Traffic Docket total cases filed	10,919	5,502	8,082	8,158	10,388	10,162	11,163
Civil Docket total cases filed	2,021	2,408	2,260	2,294	2,371	2,237	2,535
Probate Court							
Estates opened	475	502	489	477	511	518	572
Estates disposed	448	451	415	430	385	474	487
Marriage license issued	478	492	541	589	482	509	509
Guardianship and/or conservatorships opened	36	38	27	35	28	30	25
Guardianship and/or conservatorships disposed	20	30	36	36	29	40	33
Mental and chemical commitment files opened	n/a	n/a	376	279	296	295	295
Mental and chemical hearings held	n/a	90	137	135	118	83	99
Public Safety & Law Enforcement							
Detention Center - Total number incarcerated*	3,921	3,457	3,318	3,605	3,594	4,160	3,851
Coroner - Total number of calls*	200	250	270	315	300	307	285
Fire Service - Total number of calls*	2,478	3,098	2,705	2,914	3,196	3,311	3,246
Sheriff Department*							
Criminal arrests	n/a	2,133	588	1,160	799	2,802	1,905
Traffic cases	n/a	3,645	570	1,821	1,145	4,177	4,115
Arrest warrants served	n/a	2,641	2,931	2,749	2,699	2,778	2,920
Fraudulent check warrants served	n/a	469	616	460	600	430	351
Public Works							
Roads & Bridges: # of roads on which potholes were repaired	n/a	248	222	213	173	143	150
Solid Waste							
Tons of household garbage disposed of	n/a	26,186	28,066	28,840	28,903	23,187	30,290
Tons of recyclables collected	n/a	3,482	4,030	4,866	4,400	5,513	6,159
Public Health & Welfare							
Animal Control							
Number of complaints responded to	2,477	2,626	2,616	2,543	2,575	2,538	2,495
Number of animals through shelter	5,536	5,133	5,332	5,154	5,146	5,042	4,771
EMS - Total number of calls*	8,908	9,557	9,946	10,263	11,046	10,637	11,452

Sources: Various county departments.

Note: Indicators are not available for the general government function. Also, statistics were not available for FY03 for the Sheriff and Public Works departments and FY03 and FY04 for some Probate Court statistics.

*Statistics are based on the calendar year ending December 31 prior to the fiscal year ending date

Lancaster County, South Carolina
Capital Asset Statistics by Function
Last Seven Fiscal Years

	Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Public safety and law enforcement							
Number of police stations	1	1	1	1	1	1	1
Number of police sub-stations	2	2	2	2	2	2	2
Number of police vehicles	68	71	87	96	85	90	112
Number of fire stations	19	19	19	19	19	19	18
Public works							
Miles of unpaved roads maintained*	994.0	994.0	992.5	991.5	987.2	984.2	982.6
Miles of paved roads maintained*	306.0	306.0	307.5	308.5	312.8	312.4	324.8
Public health and welfare							
Number of EMS stations	6	6	6	7	7	7	7
Number of emergency vehicles	11	12	14	15	15	15	16
Culture & recreation							
Number of parks	19	20	20	21	22	24	24
Number of recreation centers	2	2	3	3	3	4	4
Number of libraries	2	2	2	2	2	2	3

Sources: Various county departments.

Note: Capital asset indicators are not available for the general government function or the administration of justice function.

*Statistics are based on calendar year ending December 31 prior to the fiscal year ending date.