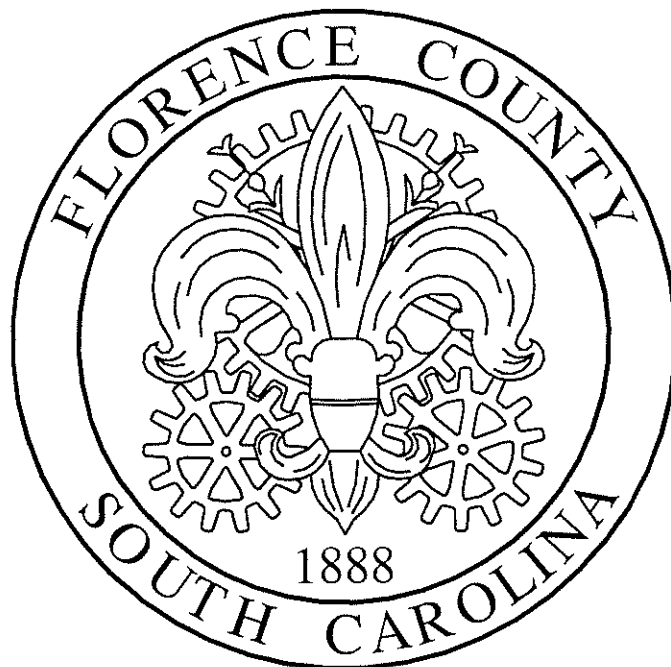


FLORENCE COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006



Prepared By:

Finance Department

Kevin V. Yokim, CPA, CGFO, Finance Director



FLORENCE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2006

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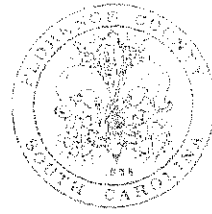
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FLORENCE COUNTY Finance Department

December 15, 2006

To the Chairman, Members of County Council, and Citizens of Florence County

The Comprehensive Annual Financial Report of Florence County, South Carolina, for the year ended June 30, 2006, is submitted herewith. State statutes require Florence County to annually issue a report on its financial position and activities, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of this presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly both the financial position, results of operations and cash flows of the various funds and component units of Florence County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This annual report is in a format that complies with the financial reporting model developed by the Government Accounting Standards Board (GASB) Statement 34. This model improves financial reporting by including government-wide statements that are based on full accrual accounting and include capital assets and long-term debt. The requirements of GASB Statement 34 are explained in some detail within the Management's Discussion and Analysis, which immediately precedes the basic financial statements in the financial section of this report.

The Comprehensive Annual Financial Report is presented in four sections:

- 1.) The INTRODUCTORY SECTION consists of the title page, the table of contents, this letter of transmittal, the County's organizational chart, and a list of the County's principal officials.

- 2.) The FINANCIAL SECTION consists of management's discussion and analysis of the financial statements, the government-wide financial statements, the funds financial statements, the notes to the financial statements, and the combining statements and schedules as well as the independent auditor's report on the financial statements and schedules. This section also includes certain required supplementary information as well.
- 3.) The STATISTICAL SECTION consists of selected financial and demographic information, generally presented on a multi-year basis.
- 4.) The SINGLE AUDIT SECTION consists of audit reports required by the U.S. Office of Management and Budget Circular A-133.

Florence County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, "Audits of State and Local Governments". Information related to this single audit, including a schedule of expenditures of federal and state awards and the independent auditor's report on internal controls and compliance with applicable laws and regulations, is included in the single audit section of this report.

THE REPORTING ENTITY

Florence County, South Carolina is located in the northeast section of the state, and is bounded on the north and east by the Pee Dee River, on the south by Williamsburg County, and the west by Darlington County. The County was established in 1888 as a railroad community and since that time has grown into the commercial, retail, and medical center for this region of the state. Being at the intersection of U.S. I-95 and I-20 has facilitated this growth, as well as being the mid-way point on I-95 between New York City and Miami, Florida.

Florence County operates under the Council-Administrator form of government. The County's Council is comprised of nine single member districts. The Council annually elects one member to serve as Chairman, one member to serve as Vice-Chairman, and one member to serve as Secretary-Chaplain. County Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the Administrator.

The Comprehensive Annual Financial Report includes all funds of Florence County that are controlled by this governing body, and are considered to be the "reporting entity". The County provides a full range of services including public safety, public works, health and social service, culture and recreation, economic development, family court, magistrates, probate court, general sessions court, solicitor, public defender, and general administration. Other entities and political subdivisions including the County's five school districts and nine cities and towns have been excluded from the County's funds and accordingly, each entity has sufficient discretion in the management of its own affairs. However, the County Treasurer is responsible for the collection of property taxes, intergovernmental revenues, and other revenues for the political subdivisions. The year-

end balances and results of that fiduciary responsibility are included as agency funds in the basic financial statements.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government (i.e. Florence County, South Carolina as legally defined) and to differentiate its financial position and results of operations from those of the primary government. The Florence City-County Building Commission is reported as a discretely presented component unit.

ECONOMIC CONDITION AND OUTLOOK

Florence County is continuing to experience a strong increase in economic growth. This growth comes from three areas: manufacturing companies, the medical community, and tourism.

Manufacturing

The County is becoming an international center for manufacturing. Nan Ya Plastics Corporation of America, a polyester fiber producing company based in Taiwan, has become the County's largest taxpayer as it continues to grow towards its goal of investing \$1 billion in the Florence County/Williamsburg County Joint Industrial Park. Roche Carolina, Inc., a subsidiary of the Swiss-based pharmaceutical company, Hoffman-LaRoche, Inc., continues to expand its processing operation, adding to its previous \$550 million investment since 1993. ESAB Welding Products, a welding machine manufacturer headquartered in the United Kingdom, continues its steady growth in the County and currently employs over 400 people. Over the past few years, Honda Motors Corporation of America expanded its current facility to include an engine plant for its all-terrain vehicles. Honda now employs approximately 1,900 people in its assembly and engine plants. This is the first time that engines for any Honda vehicle have been produced in the United States. Honda has also constructed a personal watercraft (jet ski) plant that began production in December 2002. Also, two suppliers to the Honda plant have located in Florence County in recent years, those being South East Express and North American Container Company. In addition, Crenlo, Inc., a manufacturer of cabs for heavy equipment, began operation of its plant in the Pee Dee Commerce Center as well.

As shown above, the County's manufacturing base is very diversified. Other well known companies also have plants in the County. These companies include Dupont, General Electric, Asea Brown Boveri, Stone Container, and Delta Mills. Also, Wellman Industries, the nation's largest plastics recycler, is headquartered in the County and continues to expand its two plants located in Florence County.

Distribution

Given its location at the intersection of Interstates I-95 and I-20, the County is now becoming a center for distribution facilities as well. IFH, a restaurant food supplier, recently constructed a new plant that resulted in an investment of more than \$20,000,000 and 70 new jobs. FedEx has also constructed a 75,000 square foot distribution facility within the past year. QVC, Inc. is currently constructing a 1,000,000 square foot distribution facility that will open in the spring of 2007. This will result in an investment of almost \$75,000,000 and the addition of several hundred jobs to the local economy. Finally, Johnson Controls, Inc. is moving into a 300,000 square foot spec. building in the Pee Dee Touchstone Energy Commerce Center in order to distribute automotive batteries. This facility will also open in the spring of 2007 and result in an investment of approximately \$35,000,000.

Medical Community

Florence County continues to serve as the medical center for the eastern half of South Carolina. McLeod Regional Medical Center is the largest employer in the County, with over 3,500 employees. McLeod has, in the past few years, constructed a women's hospital pavilion as well as a four-story medical office building. McLeod also has completed construction on an additional five-story medical office building. During the past year, McLeod continued the expansion of the women's hospital pavilion from its current five floors to a total of twelve floors at a cost in excess of \$100 million.

Carolinas Hospital System is also located in Florence County. Carolinas is a subsidiary of the national hospital company Quorum Health Group. In November 1998 Carolinas dedicated a new nine-story state of the art hospital complex. In the past year, Carolinas has also constructed facilities for additional bed space as well as a new conference center.

Also headquartered in Florence County is Palmetto Government Benefits Administrators, a division of Blue Cross & Blue Shield of South Carolina. This division processes health insurance claims from military personnel and their dependents from all across the nation and around the world. They currently employ over 1,000 people in Florence County.

Tourism

With such attractions as the Darlington Raceway, the Florence City-County Civic Center, and Freedom Florence, a nine-field softball complex, Florence County continues to see an increase in tourism every year. This has resulted in the construction of several new hotels and motels including a new multi-story Hilton Garden Inn as well as a new Holiday Inn Express.

Florence County's moderate climate attracts tourists year round to come to the County to shop, eat, and play golf at one of over 10 golf courses located within 30 miles of the City of Florence. In addition the Florence City-County Civic Center hosts several conventions

and trade shows each year, as well as many business meetings and luncheons. The Freedom Florence recreation complex hosts softball tournaments every weekend during its 30-week season. These tournaments include a minimum of 15 teams and bring in players from all over the Southeast to the Florence area. For the first time, the Darlington Raceway held a NASCAR Craftsman truck series race in 2001. The Darlington Raceway, which is next door to Florence County, also hosted the two largest weekend sporting events in the state with Busch series and NASCAR series races both on the last weekend in March and on Labor Day weekend. The Darlington race on Labor Day weekend was the last in the four race Winston Million series. Beginning in 2005 NASCAR has announced that Darlington would host a race in May rather than the traditional Labor Day weekend race. These races bring international exposure to Florence through ESPN and major network telecasts. The raceway has also added lights to the track to provide the opportunity for night-time racing as well.

MAJOR INITIATIVES

Florence County has embarked on several initiatives that center primarily on increasing service to the residents of Florence County.

EMS Improvements

During 2000, Florence County made major improvements to its EMS System. Four new state of the art ambulances were purchased, as well as four new quick response vehicles. In February 1999 the County broke ground on a new 7,500 square foot EMS headquarters. The building was completed in December 1999. In 2004, the County completed the construction of two new EMS substations in rural areas of the County, and has acquired land for a third rural substation.

Recreation Improvements

During 1999, a recreation master plan for the entire county was prepared by an outside consulting company. For the seventh fiscal year in a row, Florence County Council committed \$500,000 of funding for projects included in this master plan. The County had executed a long-term lease for a state park that is now known as Lynches River County Park. On October 31, 2002, the State of South Carolina deeded the Lynches River County Park to Florence County. Therefore, the County now owns a 675 acre park near the geographic center of the county and the County is moving forward with improvements to the park. A major renovation of the community building at the park had already been completed. A canoe launch and a 1,200 foot boardwalk have been constructed. In addition, two cabins and a bathhouse have been purchased and installed and are available to be rented. Plans are underway to construct an interpretive nature center at the park, which should open sometime in 2007. In North Florence a local park has been enhanced by the addition of a community building and a walking trail. In West Florence, additional land was acquired adjacent to an existing ball field and several tennis courts, a picnic shelter and a playground were constructed. In the Lake City area, land was acquired for a

local park and a walking trail was constructed. This land also includes a pond; therefore a fishing deck and a walking bridge over the pond have been constructed. In addition, land has been acquired to relocate two of the County's baseball facilities over the next few years. In 2004 the County acquired three parcels of land for recreation. Two parcels are for the expansion of two existing baseball leagues and the third is for a neighborhood park. In 2005 one of these parks was completed and an existing league was relocated to this new facility.

Consolidation

On May 23, 2002, the County signed a consolidation agreement with the City of Florence whereby the City purchased the Florence County Utility System. On October 3, 2002, the sale was closed and the City became the legal owner of the Florence County water and sewer system and also assumed the \$9,775,000 outstanding balance of the 1998 Florence County Utility System revenue bond.

Economic Development

During 1999, Florence County entered into an agreement with a local private business group to form the Florence County Economic Development Partnership. This is a joint partnership that was formed to increase economic development throughout the county and is funded equally by public and private funds. During 1999, a strategic plan was completed by an outside consulting company and the County is currently proceeding with most of the areas of the strategic plan. The County issued \$1,500,000 of general obligation bonds to fund the first of three phases of this strategic plan. A portion of these bonds proceeds have been used to purchase approximately 150 acres for an industrial park in Johnsonville and develop this park by installing roads and water and sewer service.

FINANCIAL INFORMATION

Management of Florence County is responsible for establishing and maintaining an internal control structure to ensure that assets of the County are protected from loss, theft, or misuse, and to ensure that data compiled will allow for the preparation of financial statements that are in conformity with generally accepted accounting principles.

Single Audit. As a recipient of federal and state financial assistance, we are also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws and regulations related to those programs. This internal structure is subject to periodic evaluation by management of the County and our external auditors. The results of the County's single audit for the year ended June 30, 2006 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations related to major or non-major federal financial assistance programs.

Budgetary Controls. A formal budget is adopted for the general fund and various special revenue funds of the County at the account level. In the General Fund, a budget is prepared for each department of the County. Encumbrance accounting is used to record estimated amounts for purchase orders, contracts and other commitments prior to release to vendors. Commitments that would result in over expended funds are not made until available funds are transferred via a budget adjustment approved by the County Administrator and the Finance Director. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Proprietary Operations. Florence County has three proprietary funds. The Florence County Utility System Fund accounts for the operation and maintenance of the water and sewer system. The Florence County Landfill Fund accounts for the operation of the County's 15 manned convenience centers and the transportation of the waste from these centers to a private landfill outside the county and the tipping fee at this private landfill. The Florence County E911 System Fund accounts for the mapping and establishing of the E911 system throughout the County.

Debt Administration. In accordance with South Carolina State Law, Florence County must maintain its general obligation bonded debt within a limit of eight percent of its total assessed value of its real and personal property. For the year ended June 30, 2006, this requirement has been met.

Cash Management. The management of cash and cash investments is the responsibility of the County Treasurer. During the fiscal year ended June 30, 2006, Florence County was under a contract with a financial institution, not only for cash management purposes, but also for investment management purposes. This contract is for a three-year period that ends June 30, 2008. As of June 30, 2006, Florence County's investments were held primarily in U.S. Agency securities and certificates of deposit.

Capital Assets. The capital assets of the County are those used in the performance of general government functions. These assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the acquisition date. The County, in accordance with the Government Accounting Standards Board Statement No. 34, began recognizing depreciation on all its capital assets during the prior fiscal year. In addition, in further compliance with this statement, the County capitalized all infrastructure assets, including roads and bridges, during the fiscal year as well.

Risk Management. The County maintains coverage for worker's compensation with a third party insurance company. This fund covers all medical claims for work-related injuries, as well as providing disability payments for loss of time from work.

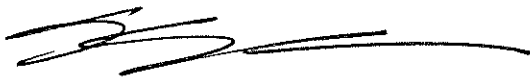
Independent Audit. The South Carolina Code of Laws requires an annual audit of financial records and transactions of the County by an independent certified public accountant selected by County Council. The fiscal year ended June 30, 2006 was audited by the accounting firm of Baird and Company, CPA's, LLC, and their report on the basic financial statements is included in the Financial Section of this Comprehensive Annual Financial Report.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Florence County, South Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the eighth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 comprehensive annual financial report 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.

Acknowledgments. The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated service of the Finance Department and the technical expertise and efforts of our independent auditors, Baird and Company, CPA's, LLC. We would like to also commend County Council for realizing the need for, and the benefits derived from timely financial reporting.

Sincerely,



Kevin V. Yokim, CPA, CGFO
Finance Director

FLORENCE COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2006

MEMBERS OF COUNTY COUNCIL

K.G. Rusty Smith, Jr.	Chairman
Waymon Mumford	Vice-Chairman
Mitchell Kirby	Secretary - Chaplain
Terry Alexander	Member
Johnnie Rodgers	Member
Ken Ard	Member
H. Morris Anderson	Member
Russell Culberson	Member
Jennie F. O'Bryan	Member

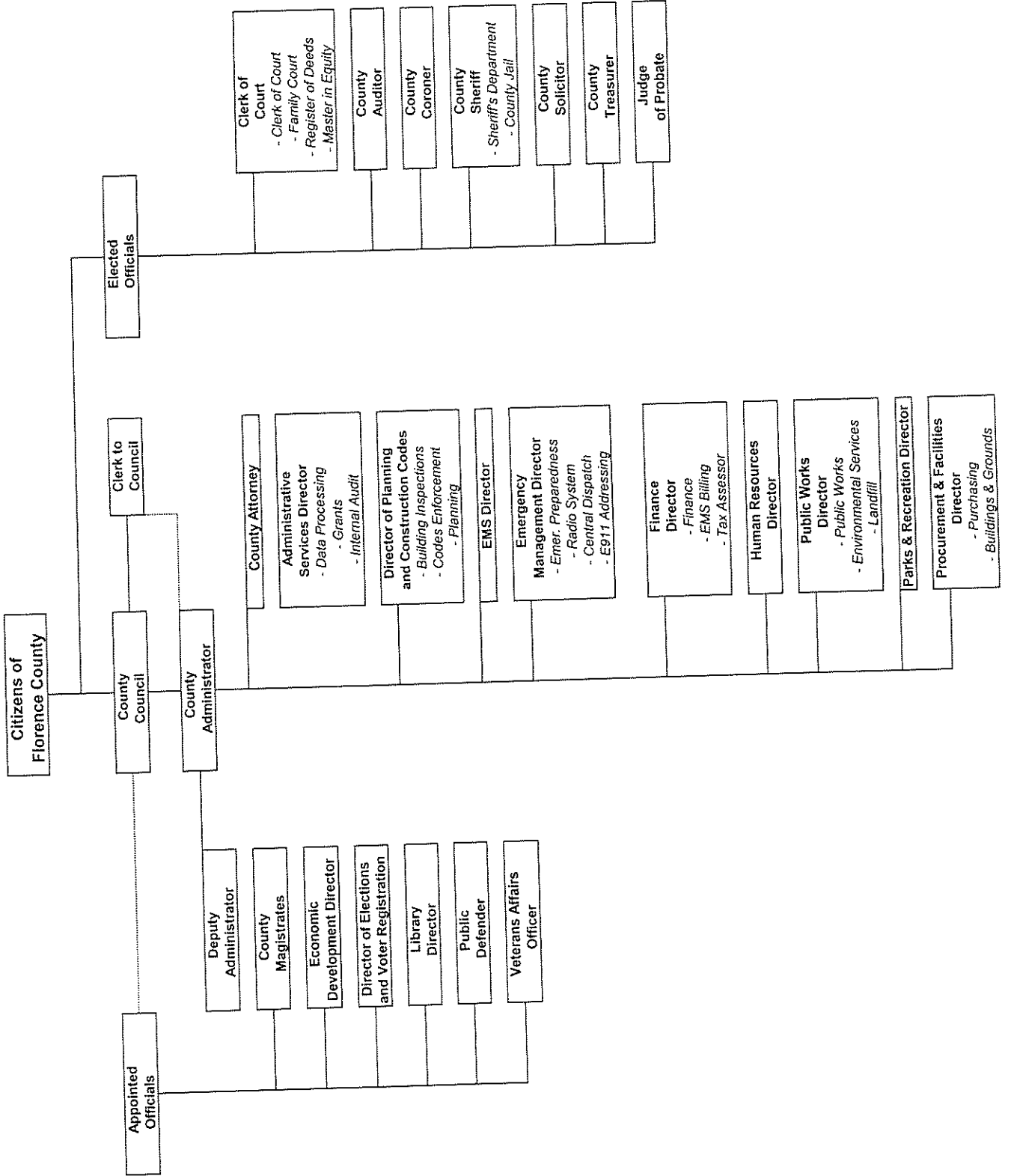
ELECTED OFFICIALS

Connie Bell	Clerk of Court
Wayne Joye	County Auditor
M. G. "Bubba" Matthews	County Coroner
Kenney Boone	County Sheriff
Ed Clements	County Solicitor
Dean Fowler	County Treasurer
Kenneth Eaton	Judge of Probate

ADMINISTRATIVE OFFICIALS

Richard A. Starks	County Administrator
Kevin V. Yokim	Finance Director

Florence County, South Carolina Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Florence County
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

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

Executive Director



Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS
Augusta, Georgia Office

Thomson, Georgia Office

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
J.T. Cosnahan, CPA, CFE, FCPA, DABFA, CICA, CGFM
Robert D. Huntley, Jr., CPA
Rep E. Whiddon, CPA, CVA
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA

Benjamin B. Barmore, CPA, MCP, CITP
W. Lee Hammond, CPA

INDEPENDENT AUDITORS' REPORT

To the County Council
Florence County, South Carolina
Florence, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and aggregate remaining fund information of Florence County, South Carolina, as of and for the year ended June 30, 2006, which collectively comprise Florence County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Florence County, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Florence City-County Complex Building Commission which statements reflect total assets of \$2,420,169 as of June 30, 2006, and total revenues of \$1,422,514 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions on the financial statements, insofar as, it relates to the amounts included for the Florence City-County Complex Building Commission in the component unit column, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Florence County, South Carolina, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and a Major Special Revenue Fund, the Jail Debt Service/O&M Fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the County Council
Florence County, South Carolina
Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2006, on our consideration of Florence County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florence County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of Florence County, South Carolina. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

Baird & Company, CPAS, LLC

BAIRD & COMPANY, CPAS, LLC
Certified Public Accountants

December 15, 2006
Augusta, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Florence County, South Carolina, we offer readers of the Florence County financial statements this narrative overview and analysis of the financial activities of Florence County for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 8 of this report.

Financial Highlights

- The assets of Florence County exceeded its liabilities at the close of the most recent fiscal year by \$84,001,557 (*net assets*). Of this amount, \$26,264,960 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$1,196,535. Nearly all of this decrease is attributable to the payments made to reduce long-term debt.
- As of the close of the current fiscal year, Florence County's governmental funds reported combined ending fund balances of \$22,072,514, a decrease of \$2,488,188 in comparison with the prior year. Slightly more than half of this total amount, \$12,617,900, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$8,121,223, or 24 percent of total general fund expenditures and net transfers out.
- Florence County's debt decreased by \$3,769,144 (9 percent) during the current fiscal year. The key factor in this decrease was the large principal payment on the certificates of participation issued for the jail and the civic center.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Florence County basic financial statements. Florence County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information 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 Florence County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of Florence County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Florence County include general government, public safety, economic development, public works, health, welfare, culture and recreation, and education. The business-type activities of Florence County include a utility system, a county landfill and an E911 system.

The government-wide financial statements include not only Florence County itself (known as the *primary government*), but also a legally separate building commission for which Florence County is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25 – 26 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Florence 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 Florence County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Florence County maintains thirty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the jail debt service and O&M special revenue fund, and the grant special revenue fund, all three of which are

considered to be major funds. Data from the other thirty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Florence County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Florence County also adopts an annual appropriated budget for another of its major funds, the Jail Debt Service/O&M Special Revenue Fund. A budgetary compliance statement has been provided for this fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27 – 32 of this report.

Proprietary funds. Florence County maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Florence County uses enterprise funds to account for its utility system, its landfill, and its E911 system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility system, the landfill, and for the E911 system, all of which are considered to be major funds of Florence County.

The basic proprietary fund financial statements can be found on pages 33 – 36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Florence County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 – 74 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 75 – 96 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Florence County, assets exceeded liabilities by \$84,001,557 at the close of the most recent fiscal year.

The largest portion of Florence County's net assets (67 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Florence County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Florence County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Florence County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 37,316,696	\$ 36,359,722	\$14,028,299	\$14,924,030	\$ 51,344,995	\$ 51,283,752
Capital assets	79,880,567	81,820,424	2,626,519	2,677,720	82,507,086	84,498,144
Total assets	117,197,263	118,180,146	16,654,818	17,601,750	133,852,081	135,781,896
Long-term liabilities outstanding	37,912,967	41,682,111	890	890	37,913,857	41,683,001
Other liabilities	10,658,595	7,624,667	1,278,072	1,276,136	11,936,667	8,900,803
Total liabilities	48,571,562	49,306,778	1,278,962	1,277,026	49,850,524	50,583,804
Net assets:						
Invested in capital assets, net of related debt	53,667,749	51,876,930	2,626,519	2,677,720	56,294,268	54,554,650
Restricted	1,442,329	1,280,207	-	-	1,442,329	1,280,207
Unrestricted	13,515,623	15,716,231	12,749,337	13,647,004	26,264,960	29,363,235
Total net assets	\$ 68,625,701	\$ 68,873,368	\$15,375,856	\$16,324,724	\$ 84,001,557	\$ 85,198,092

An additional portion of Florence County's net assets (1.72 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$26,264,960) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net assets decreased by \$1,196,535 during the current fiscal year. Nearly all of this decrease represents the excess of expenses over revenues.

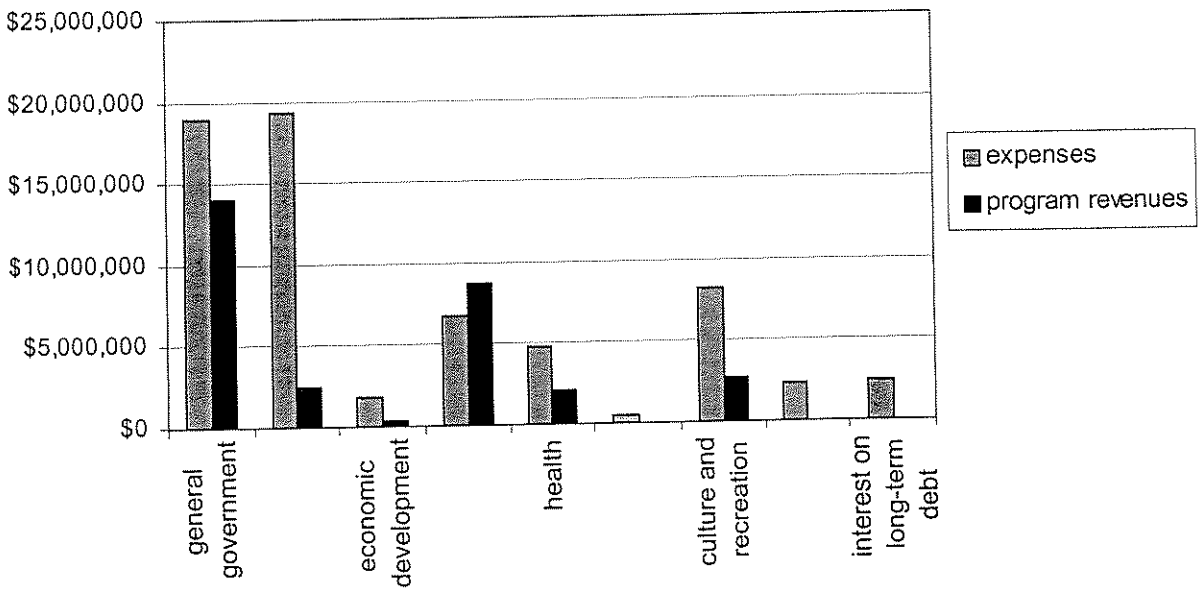
Governmental activities. Governmental activities decreased Florence County's net assets by \$247,667, thereby accounting for 21 percent of the total reduction in the net assets of Florence County.

Business-type activities. Business-type activities decreased Florence County's net assets by \$948,868.

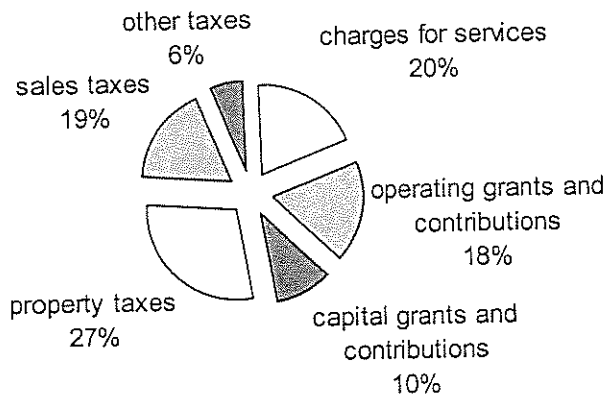
Florence County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$12,619,488	\$12,329,164	\$ 1,856,381	\$ 1,893,664	\$14,475,869	\$14,222,828
Operating grants and contributions	11,420,110	10,861,203	-	-	11,420,110	10,861,203
Capital grants and contributions	6,498,642	2,811,643	-	-	6,498,642	2,811,643
General revenues:						
Property taxes	18,367,671	17,987,432	-	-	18,367,671	17,987,432
Other taxes	15,794,139	14,753,622	-	-	15,794,139	14,753,622
Other	1,007,091	4,235,929	449,997	339,291	1,457,088	4,575,220
Total revenues	65,707,141	62,978,993	2,306,378	2,232,955	68,013,519	65,211,948
Expenses:						
General government	18,916,067	18,983,257	-	-	18,916,067	18,983,257
Public safety	19,301,833	18,469,178	-	-	19,301,833	18,469,178
Economic and physical development	1,824,428	2,121,195	-	-	1,824,428	2,121,195
Public works	6,793,212	6,901,483	-	-	6,793,212	6,901,483
Health	4,753,736	4,654,915	-	-	4,753,736	4,654,915
Welfare	517,884	518,207	-	-	517,884	518,207
Culture and recreation	8,241,848	7,813,173	-	-	8,241,848	7,813,173
Education	2,391,420	2,019,145	-	-	2,391,420	2,019,145
Interest on long-term debt	2,418,282	2,599,706	-	-	2,418,282	2,599,706
Utility System	-	-	155,347	36,188	155,347	36,188
Landfill	-	-	3,468,902	3,197,252	3,468,902	3,197,252
E911 System	-	-	427,095	374,461	427,095	374,461
Total expenses	65,158,710	64,080,259	4,051,344	3,607,901	69,210,054	67,688,160
Increase (decrease) in net assets before transfers	548,431	(1,101,266)	(1,744,966)	(1,374,946)	(1,196,535)	(2,476,212)
Transfers	(796,098)	(1,154,629)	796,098	1,154,629	-	-
Increase (decreases) in net assets	(247,667)	(2,255,895)	(948,868)	(220,317)	(1,196,535)	(2,476,212)
Net assets, July 1,	68,873,368	71,129,263	16,324,724	16,545,041	85,198,092	87,674,304
Net assets, June 30,	\$68,625,701	\$68,873,368	\$15,375,856	\$16,324,724	\$84,001,557	\$85,198,092

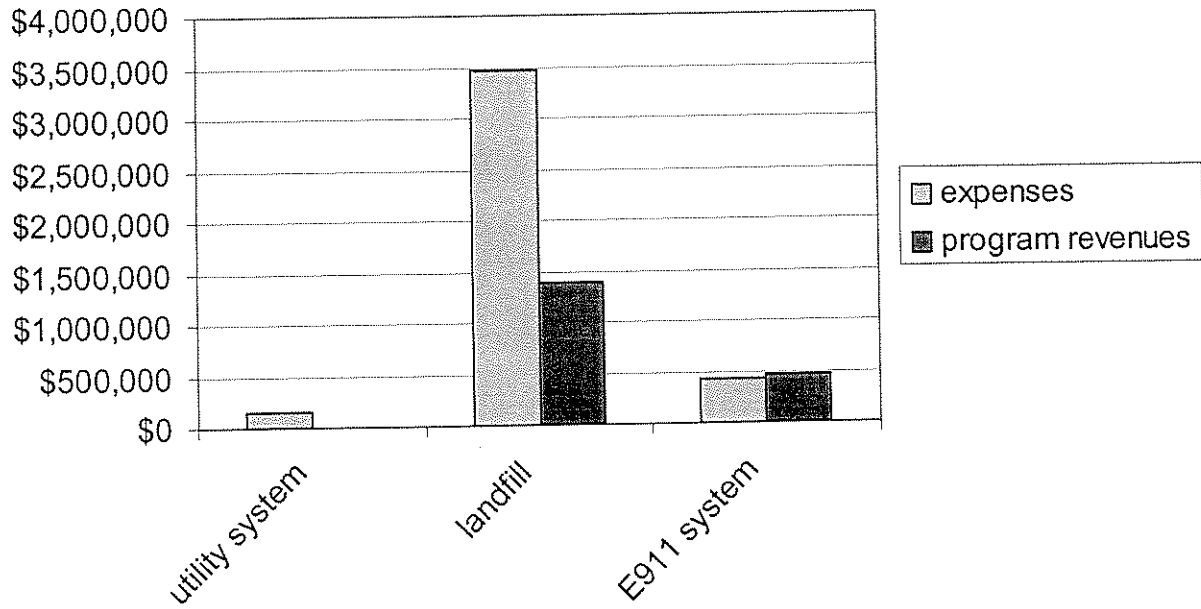
Expenses and Program Revenues - Government Activities



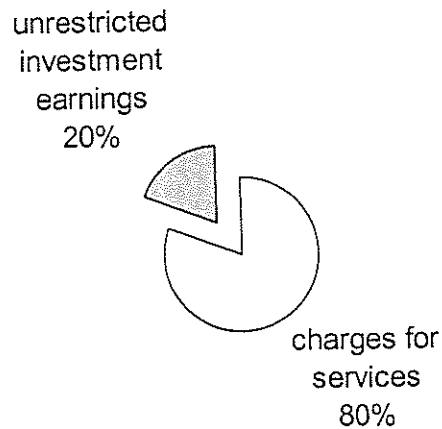
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the fiscal year, Florence County's governmental funds reported combined ending fund balances of \$22,072,514, a decrease of \$2,488,188 in comparison with the prior year. Slightly more than half of this total amount (\$12,617,900) constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$173,905), 2) to pay debt service (\$2,693,502), 3) to pay for various capital improvements or other expenditures in future years (\$4,679,353), or 4) for a variety of other restricted purposes (\$155,353).

The general fund is the chief operating fund of Florence County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$8,121,223, while total fund balance reached \$9,593,480. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and net transfers out. Unreserved, undesignated fund balance represents 24 percent of total general fund expenditures and net transfers out, while total fund balance represents 29 percent of that same amount.

The fund balance of Florence County's general fund decreased by \$281,086 during the current fiscal year. The key factor in this reduction is as follows:

- Similar to prior fiscal years, a \$500,000 use of fund balance was budgeted for the recreation master plan.

The jail debt service/O&M special revenue fund has a total fund balance of (\$1,216,585). This fund balance decreased by \$1,199,295. This was the result of the reduction of interest earnings that decreased miscellaneous revenue by \$111,769, and the increase in fuel costs and overtime expenditures that increased public safety expenditures by \$441,172.

The grant special revenue fund has a total fund balance of \$1,262,612, all of which is unreserved and undesignated. This fund balance increased by \$118,393. This was the result of funding received during the year but not yet expended.

Proprietary funds. Florence County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the utility system at the end of the year amounted to \$3,990,212, those for the landfill amounted to \$7,913,458, and those for the E911 system amounted to \$845,667. The total decrease in net assets for the utility fund, the landfill fund, and the E911 system was \$5,644, \$570,056, and \$373,168, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of Florence County's business-type activities.

General Fund Budgetary Highlights

There were no changes between the original budget and the final amended budget for the General Fund. As in the prior few fiscal years, a use of fund balance in the amount of \$500,000 was budgeted for the recreation master plan. However, since during the year expenditures were less than budgetary estimates, fund balance was drawn down by \$281,086.

Capital Asset and Debt Administration

Capital assets. Florence County's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$82,507,086 (net of accumulated depreciation). This investment in capital assets includes land, buildings and additions, improvements other than buildings, autos and trucks, furniture and fixtures, machinery and equipment, and roads and bridges.

Major capital assets events during the current fiscal year included the following:

- New subdivision roads with a value in excess of \$3,000,000 were added to infrastructure assets.
- Purchase of vehicles and equipment for the sheriff's department in excess of \$570,000.
- Purchase of vehicles and equipment for the public works department in excess of \$450,000.

Florence County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 8,071,346	\$ 7,907,144	\$2,311,535	\$2,312,316	\$10,382,881	\$10,219,460
Buildings and additions	36,565,075	37,199,417	-	-	36,565,075	37,199,417
Improvements other than buildings	3,506,615	3,654,872	78,392	101,260	3,585,007	3,756,132
Autos and trucks	2,526,178	2,560,259	79,331	101,337	2,605,509	2,661,596
Furniture and fixtures	114,478	137,746	4,400	2,857	118,878	140,603
Machinery and equipment	7,910,511	8,412,560	152,861	159,950	8,063,372	8,572,510
Infrastructure	21,186,364	21,948,426	-	-	21,186,364	21,948,426
Total	\$79,880,567	\$81,820,424	\$2,626,519	\$2,677,720	\$82,507,086	\$84,498,144

Additional information on Florence County's capital assets can be found in Note 2 on pages 56 – 58 of this report.

Long-term debt. At the end of the current fiscal year, Florence County had total bonded debt outstanding of \$12,042,944. This entire amount is backed by the full faith and credit of the government. The remainder of Florence County's debt represents certificates of participation and capital leases which are secured by annual appropriations by County Council.

Florence County's Outstanding Debt
General Obligation Bonds and Other Debt

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$12,042,944	\$12,835,605	\$ -	\$ -	\$12,042,944	\$12,835,605
Certificates of participation	22,600,000	24,985,000	-	-	22,600,000	24,985,000
Land commitment	-	150,000	-	-	-	150,000
Capital leases	1,839,455	2,357,242	-	-	1,839,455	2,357,242
Unused vacation pay	1,430,568	1,354,264	890	890	1,431,458	1,355,154
Total	\$37,912,967	\$41,682,111	\$ 890	\$ 890	\$37,913,857	\$41,683,001

Florence County's total debt decreased by \$3,769,144 (9.0 percent) during the current fiscal year. The key factor in this decrease was the retirement of \$2,385,000 in certificates of participation.

Florence County maintains a "AA-" rating from Fitch, an "A" rating from Standard & Poor's, and an A1 rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation. The current debt limitation for Florence County is \$32,539,833, which is significantly in excess of Florence County's outstanding general obligation debt.

Additional information on Florence County's long-term debt can be found in note 2 on pages 60 – 71 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Florence County is currently 8.5%, which is an increase from a rate of 8.4% a year ago.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Florence County's budget for the 2006 fiscal year.

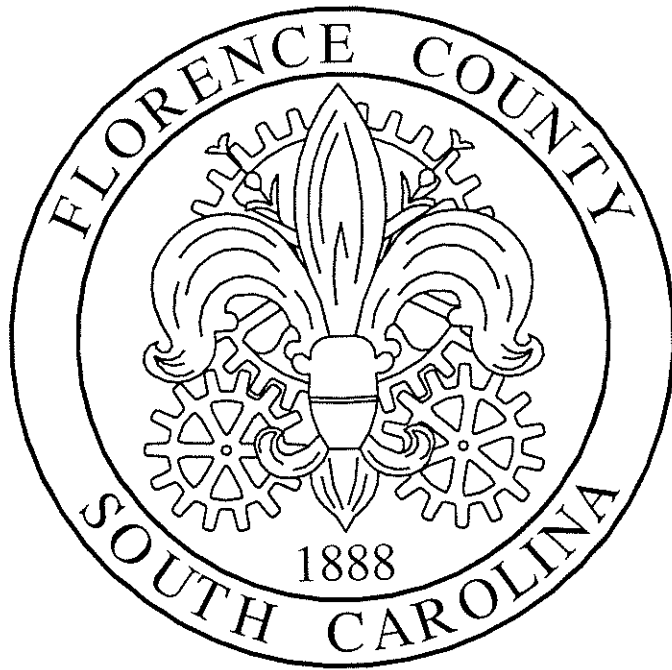
During the current fiscal year, unreserved, undesignated fund balance in the general fund decreased to \$8,121,223. As in the prior few fiscal years, a use of fund balance in the amount of \$500,000 was budgeted for the recreation master plan. However, since during the year expenditures were less than budgetary estimates, fund balance was drawn down by \$281,086.

Requests for Information

This financial report is designed to provide a general overview of Florence 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 the Office of the Finance Director, 180 North Irby St. MSC-H, Florence, South Carolina, 29501.

Financial Statements of Component Unit

The financial statements of Florence County's component unit, the Florence City-County Building Commission, can be obtained from its administrative office at 180 North Irby Street, Box VV, Florence, S.C. 29502.



BASIC FINANCIAL STATEMENTS

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Building Commission
ASSETS				
Cash and investments	\$ 24,938,936	\$ 11,019,827	\$ 35,958,763	\$ 237,045
Receivables (net of allowance for uncollectibles)	12,186,937	82,097	12,269,034	19,343
Inventories	176,262	-	176,262	-
Prepays	14,561	215	14,776	8,286
Restricted assets:				
Temporarily restricted:				
Cash and investments	-	922,965	922,965	-
Note receivable	-	2,003,195	2,003,195	-
Capital assets (net of accumulated depreciation):				
Land	8,071,346	2,311,535	10,382,881	521,180
Buildings and additions	36,565,075	-	36,565,075	1,515,918
Improvements other than buildings	3,506,615	78,392	3,585,007	80,398
Autos and trucks	2,526,178	79,331	2,605,509	-
Furniture and fixtures	114,478	4,400	118,878	37,999
Machinery and equipment	7,910,511	152,861	8,063,372	-
Infrastructure	21,186,364	-	21,186,364	-
Total assets	<u>117,197,263</u>	<u>16,654,818</u>	<u>133,852,081</u>	<u>2,420,169</u>
LIABILITIES				
Accounts payable and other current liabilities	10,658,595	355,107	11,013,702	46,742
Liabilities payable from restricted assets	-	922,965	922,965	-
Noncurrent liabilities:				
Due within one year	4,053,966	890	4,054,856	23,000
Due in more than one year	33,859,001	-	33,859,001	241,023
Total liabilities	<u>48,571,562</u>	<u>1,278,962</u>	<u>49,850,524</u>	<u>310,765</u>
NET ASSETS				
Invested in capital assets, net of related debt	53,667,749	2,626,519	56,294,268	1,891,472
Restricted for:				
Debt service	1,442,329	-	1,442,329	-
Unrestricted	13,515,623	12,749,337	26,264,960	217,932
Total net assets	<u>\$ 68,625,701</u>	<u>\$ 15,375,856</u>	<u>\$ 84,001,557</u>	<u>\$ 2,109,404</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 18,916,067	\$ 8,482,662	\$ -	\$ (4,871,308)		\$ (4,871,308)
Public safety	19,301,833	1,049,514	100,000	(16,810,917)		(16,810,917)
Economic and physical development	1,824,428	391,942	-	(1,432,486)		(1,432,486)
Public works	6,793,212	-	5,624,432	1,960,216		1,960,216
Health	4,753,736	44,135	-	(2,630,430)		(2,630,430)
Welfare	517,884	-	-	(517,884)		(517,884)
Culture and recreation	8,241,848	1,451,857	774,210	(5,507,959)		(5,507,959)
Education	2,391,420	-	-	(2,391,420)		(2,391,420)
Interest on long-term debt	2,418,282	-	-	(2,418,282)		(2,418,282)
Total governmental activities	65,158,710	11,420,110	6,498,642	(34,620,470)		(34,620,470)
Business-type activities:						
Utility System	155,347	-	-	-	(155,347)	(155,347)
Landfill	3,468,902	-	-	-	(2,073,825)	(2,073,825)
E911 System	427,095	-	-	-	34,209	34,209
Total business-type activities	4,051,344	-	-	-	(2,194,963)	(2,194,963)
Total primary government	\$ 69,210,054	\$ 11,420,110	\$ 6,498,642	\$ (34,620,470)	\$ (2,194,963)	\$ (36,815,433)
Component unit:						
Building Commission	\$ 1,410,287	\$ 1,417,591	\$ -	\$ -	\$ -	\$ 7,304
Total component unit	\$ 1,410,287	\$ 1,417,591	\$ -	\$ -	\$ -	\$ 7,304
General revenues:						
Property taxes				18,367,671		18,367,671
Sales taxes				11,994,857		11,994,857
Fees in lieu of tax				1,629,715		1,629,715
Franchise fees				554,907		554,907
Accommodations tax				1,614,660		1,614,660
Unrestricted investment earnings				1,007,091	449,997	1,457,088
Transfers				(796,098)	796,098	-
Total general revenues and transfers				34,372,803	1,246,095	35,618,898
Change in net assets				(247,667)	(948,868)	(1,196,535)
Net assets - beginning				68,873,368	16,324,724	85,198,092
Net assets - ending				\$ 68,625,701	\$ 15,375,856	\$ 84,001,557

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006

	General	Jail Debt Service/O&M Special Revenue Fund	Grant Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS AND OTHER DEBITS					
Assets:					
Cash and investments	\$ 10,238,064	\$ 210,456	\$ 2,529,026	\$ 11,961,390	\$ 24,938,936
Receivables:					
Property taxes (net)	46,902	82,991	-	22,097	151,990
Other governmental units and agencies	5,067,616	1,761,173	775,989	1,149,042	8,753,820
Others (net)	2,750,795	25,409	18,955	485,968	3,281,127
Inventory	176,262	-	-	-	176,262
Prepays	-	5,662	2,625	6,274	14,561
Due from other funds	2,132,257	-	-	-	2,132,257
Total assets and other debits	\$ 20,411,896	\$ 2,085,691	\$ 3,326,595	\$ 13,624,771	\$ 39,448,953
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,006,908	\$ 1,246,141	\$ 37,620	\$ 475,572	\$ 2,766,241
Payroll withholdings and accruals	567,099	314,594	32,689	147,470	1,061,852
Other payables	6,830,502	-	-	-	6,830,502
Due to other funds	-	1,741,541	-	390,716	2,132,257
Deferred revenues	2,413,907	-	1,993,674	178,006	4,585,587
Total liabilities	10,818,416	3,302,276	2,063,983	1,191,764	17,376,439
Fund balances:					
Reserved for debt service reserve	-	-	-	1,251,173	1,251,173
Reserved for encumbrances	173,905	-	-	-	173,905
Reserved for inventory	155,353	-	-	-	155,353
Reserved for debt service	-	-	-	1,442,329	1,442,329
Unreserved, reported in:					
General fund	9,264,222	-	-	-	9,264,222
Special revenue funds	-	(1,216,585)	1,262,612	6,203,151	6,249,178
Debt service funds	-	-	-	-	-
Capital project funds	-	-	-	3,536,354	3,536,354
Total fund balances	9,593,480	(1,216,585)	1,262,612	12,433,007	22,072,514
Total liabilities and fund balances	\$ 20,411,896	\$ 2,085,691	\$ 3,326,595	\$ 13,624,771	
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.					79,880,567
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					4,585,587
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(37,912,967)
Net assets of governmental activities					\$ 68,625,701

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Jail Debt Service/O&M Special Revenue Fund	Grant Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 12,039,217	\$ 12,741,395	\$ 115,171	\$ 6,669,370	\$ 31,565,153
Licenses and permits	4,766,632	-	-	-	4,766,632
Fines and fees	3,635,353	76,397	-	2,456,225	6,167,975
Intergovernmental	7,536,294	1,205,837	2,250,813	1,667,308	12,660,252
Sales and other					
functional revenues	2,812,062	-	-	40,218	2,852,280
Miscellaneous	1,392,909	25,322	1,046,266	453,570	2,918,067
Total revenues	<u>32,182,467</u>	<u>14,048,951</u>	<u>3,412,250</u>	<u>11,286,691</u>	<u>60,930,359</u>
Expenditures:					
Current:					
General government	15,618,712	-	1,391,672	1,403,152	18,413,536
Public safety	12,354	13,349,181	870,660	3,342,161	17,574,356
Economic and physical development	-	-	717,002	986,191	1,703,193
Public works	3,952,936	-	-	-	3,952,936
Health	4,426,197	-	41,634	-	4,467,831
Welfare	517,884	-	-	-	517,884
Culture and recreation	2,690,425	-	219,263	4,732,851	7,642,539
Education	4,950	-	-	1,845,000	1,849,950
Capital outlay	-	-	-	712,395	712,395
Debt service:					
Principal retirements	-	1,574,100	-	2,826,805	4,400,905
Interest	-	983,980	-	1,134,820	2,118,800
Paying agent fee	-	14,245	-	12,617	26,862
Total expenditures	<u>27,223,458</u>	<u>15,921,506</u>	<u>3,240,231</u>	<u>16,995,992</u>	<u>63,381,187</u>
Revenues over (under) expenditures	4,959,009	(1,872,555)	172,019	(5,709,301)	(2,450,828)
Other financing sources (uses):					
Issuance of debt	-	-	-	-	749,110
Proceeds of capital lease	749,110	-	-	-	9,279,855
Transfer in	2,301,511	800,656	149,809	6,027,879	(10,075,953)
Transfer out	(8,300,344)	(127,396)	(203,435)	(1,444,778)	
Net change in fund balances	(290,715)	(1,199,295)	118,393	(1,126,200)	(2,497,816)
Fund balance - beginning of year	9,874,566	(17,290)	1,144,219	13,559,207	24,560,702
Change in reserve for inventory	9,628	-	-	-	9,628
Fund balance - end of year	<u>\$ 9,593,480</u>	<u>\$ (1,216,585)</u>	<u>\$ 1,262,612</u>	<u>\$ 12,433,007</u>	<u>\$ 22,072,514</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE 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, 2006

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net change in fund balances - total governmental funds (page 28)		\$ (2,497,816)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlays (page 28)	712,395	
Less: depreciation expense (page 57)	<u>(6,064,667)</u>	(5,352,272)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets</p>		
Disposals of capital assets, net of accumulated depreciation (page 56)		(12,066)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred revenues (page 27)	4,585,587	
Less: deferred revenues, June 30, 2005	<u>(4,174,353)</u>	411,234
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principle retirements (page 28)	4,400,905	
Payment on Honda land commitment and other	193,653	
Net increase in vacation pay earned not used	(76,304)	
Less: proceeds of capital lease (page 28)	<u>(749,110)</u>	3,769,144
Increase in capital assets for which no capital outlay funds were expended, primarily represented by the value of new subdivision roads donated to the County		3,424,481
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Change in reserve for inventory (page 28)		<u>9,628</u>
Change in net assets of governmental activities (page 26)		<u>\$ (247,667)</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 12,632,850	\$ 12,632,850	\$ 12,039,217	\$ (593,633)
Licenses and permits	5,090,250	5,092,250	4,766,632	(325,618)
Fines and fees	3,575,637	3,575,637	3,635,353	59,716
Intergovernmental	7,206,832	7,310,459	7,536,294	225,835
Sales and other functional revenues	2,623,600	2,626,600	2,812,062	185,462
Miscellaneous	244,400	712,093	1,392,909	680,816
Total revenues	<u>31,373,569</u>	<u>31,949,889</u>	<u>32,182,467</u>	<u>232,578</u>
Expenditures:				
General government	15,788,749	15,903,791	15,700,650	203,141
Public safety	15,000	15,000	12,354	2,646
Public works	3,308,172	3,533,172	3,942,128	(408,956)
Health	4,865,308	4,896,808	4,526,642	370,166
Welfare	531,978	531,978	517,884	14,094
Culture and recreation	2,740,071	2,761,071	2,693,075	67,996
Education	4,950	4,950	4,950	-
Total expenditures	<u>27,254,228</u>	<u>27,646,770</u>	<u>27,397,683</u>	<u>249,087</u>
Revenues over (under) expenditures	4,119,341	4,303,119	4,784,784	481,665
Other financing sources (uses):				
Proceeds of capital lease	1,046,200	1,046,200	749,110	(297,090)
Transfers in	1,836,000	1,836,000	2,301,511	465,511
Transfers out	<u>(8,043,647)</u>	<u>(8,144,147)</u>	<u>(8,300,344)</u>	<u>(156,197)</u>
Net change in fund balance	(1,042,106)	(958,828)	(464,939)	493,889

(Continued)

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2006

(Continued)

Fund balance - beginning of year	<u>\$ 9,743,828</u>	<u>\$ 9,743,828</u>	<u>\$ 9,743,828</u>	<u>\$ -</u>
Fund balance - end of year	<u>\$ 8,701,722</u>	<u>\$ 8,785,000</u>	<u>\$ 9,278,889</u>	<u>\$ 493,889</u>
Reconciliation of fund balance:				
GAAP basis			\$ 9,593,480	
Increase (decrease):				
Due to expenditures:				
Encumbrances			(173,905)	
Inventories			(155,353)	
Cash - Juror fee accounts			<u>14,667</u>	
Budgetary basis			<u>\$ 9,278,889</u>	

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

JAIL DEBT SERVICE/O&M SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 13,484,318	\$ 13,484,318	\$ 12,741,395	\$ (742,923)
Fines and fees	90,000	90,000	76,397	(13,603)
Intergovernmental	1,200,000	1,200,000	1,205,837	5,837
Miscellaneous	250,000	250,000	25,322	(224,678)
Total revenues	<u>15,024,318</u>	<u>15,024,318</u>	<u>14,048,951</u>	<u>(975,367)</u>
Expenditures:				
Public safety	13,301,424	13,301,424	13,349,181	(47,757)
Debt service	2,415,000	2,415,000	2,572,325	(157,325)
Total expenditures	<u>15,716,424</u>	<u>15,716,424</u>	<u>15,921,506</u>	<u>(205,082)</u>
Revenues over (under) expenditures	(692,106)	(692,106)	(1,872,555)	(1,180,449)
Other financing sources (uses):				
Transfers in	692,106	692,106	800,656	108,550
Transfers out	-	-	(127,396)	(127,396)
Net change in fund balance	-	-	(1,199,295)	(1,199,295)
Fund balance - beginning of year	<u>(17,290)</u>	<u>(17,290)</u>	<u>(17,290)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (17,290)</u>	<u>\$ (17,290)</u>	<u>\$ (1,216,585)</u>	<u>\$ (1,199,295)</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2006

Business-type Activities - Enterprise Funds

	Florence County Utility System	Florence County Landfill	County E911 System	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 1,987,022	\$ 8,230,275	\$ 802,530	\$ 11,019,827
Receivables:				
Due from customers	-	-	68,205	68,205
Intergovernmental	-	13,892	-	13,892
Prepaid expenses	-	215	-	215
Inventory	-	-	-	-
Total current assets	<u>1,987,022</u>	<u>8,244,382</u>	<u>870,735</u>	<u>11,102,139</u>
Noncurrent assets:				
Restricted cash and investments	-	922,965	-	922,965
Note receivable	2,003,195	-	-	2,003,195
Capital assets:				
Land	-	2,465,853	-	2,465,853
Buildings & additions	-	185,721	-	185,721
Improvements other than buildings	-	567,096	-	567,096
Autos & trucks	-	1,738,972	25,009	1,763,981
Furniture & fixtures	-	1,720	10,389	12,109
Machinery & equipment	-	45,766	668,542	714,308
Less accumulated depreciation	-	(2,535,669)	(546,880)	(3,082,549)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>2,469,459</u>	<u>157,060</u>	<u>2,626,519</u>
Total noncurrent assets	<u>2,003,195</u>	<u>3,392,424</u>	<u>157,060</u>	<u>5,552,679</u>
Total assets	<u>3,990,217</u>	<u>11,636,806</u>	<u>1,027,795</u>	<u>16,654,818</u>
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	5	330,924	21,310	352,239
Accrued interest payable	-	-	-	-
Accrued payroll	-	-	2,868	2,868
Total current liabilities	<u>5</u>	<u>330,924</u>	<u>24,178</u>	<u>355,107</u>
Noncurrent liabilities:				
Accrued vacation	-	-	890	890
Closure and post-closure costs	-	922,965	-	922,965
Total long-term liabilities	<u>-</u>	<u>922,965</u>	<u>890</u>	<u>923,855</u>
Total liabilities	<u>5</u>	<u>1,253,889</u>	<u>25,068</u>	<u>1,278,962</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	2,469,459	157,060	2,626,519
Unrestricted	3,990,212	7,913,458	845,667	12,749,337
Total net assets	<u>\$ 3,990,212</u>	<u>\$ 10,382,917</u>	<u>\$ 1,002,727</u>	<u>\$ 15,375,856</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds			
	Florence County Utility System	Florence County Landfill	Florence County E911 System	Totals
Operating revenues:				
Charges for services	\$ -	\$ 1,395,077	\$ 461,304	\$ 1,856,381
Other revenue	-	-	-	-
Total operating revenues	<u>-</u>	<u>1,395,077</u>	<u>461,304</u>	<u>1,856,381</u>
Operating expenses:				
System maintenance	155,347	3,423,060	365,001	3,943,408
Depreciation	-	45,842	62,094	107,936
Total operating expenses	<u>155,347</u>	<u>3,468,902</u>	<u>427,095</u>	<u>4,051,344</u>
Operating income (loss)	<u>(155,347)</u>	<u>(2,073,825)</u>	<u>34,209</u>	<u>(2,194,963)</u>
Non operating revenues (expenses):				
Interest earned on investments	149,703	268,769	31,525	449,997
Total nonoperating revenues (expenses)	<u>149,703</u>	<u>268,769</u>	<u>31,525</u>	<u>449,997</u>
Income (loss) before operating transfers	(5,644)	(1,805,056)	65,734	(1,744,966)
Transfers in	-	1,960,000	-	1,960,000
Transfers out	-	(725,000)	(438,902)	(1,163,902)
Change in net assets	(5,644)	(570,056)	(373,168)	(948,868)
Net assets - beginning	3,995,856	10,952,973	1,375,895	16,324,724
Net assets - ending	<u>\$ 3,990,212</u>	<u>\$ 10,382,917</u>	<u>\$ 1,002,727</u>	<u>\$ 15,375,856</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds			Totals
	Florence County Utility System	Florence County Landfill	Florence County E911 System	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 1,380,970	\$ 489,285	\$ 1,870,255
Payments to suppliers	(155,348)	(3,414,080)	(307,217)	(3,876,645)
Payments to employees	-	-	(64,826)	(64,826)
Net cash provided by (used in) operating activities	<u>(155,348)</u>	<u>(2,033,110)</u>	<u>117,242</u>	<u>(2,071,216)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers in	-	1,960,000	-	1,960,000
Transfers out	-	(725,000)	(438,902)	(1,163,902)
Net cash provided by non-capital financing activities	<u>-</u>	<u>1,235,000</u>	<u>(438,902)</u>	<u>796,098</u>
CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES:				
Payment received on note	290,390	-	-	290,390
Purchase of capital assets	-	-	(56,736)	(56,736)
Net cash provided by (used in) financing activities	<u>290,390</u>	<u>-</u>	<u>(56,736)</u>	<u>233,654</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned on operating funds	149,703	268,769	31,525	449,997
Net cash provided by investing activities	<u>149,703</u>	<u>268,769</u>	<u>31,525</u>	<u>449,997</u>
Net increase (decrease) in cash and restricted cash	284,745	(529,341)	(346,871)	(591,467)
Cash and restricted cash at beginning of period	1,702,277	9,682,581	1,149,401	12,534,259
Cash and restricted cash at end of period	<u>\$ 1,987,022</u>	<u>\$ 9,153,240</u>	<u>\$ 802,530</u>	<u>\$ 11,942,792</u>

(Continued)

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds			Totals
	Florence County Utility System	Florence County Landfill	Florence County E911 System	
(Continued)				
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (155,348)	\$ (2,073,824)	\$ 34,208	\$ (2,194,964)
Adjustments to reconcile operating loss to net cash provided by (used in) operations:				
Depreciation	-	45,842	62,094	107,936
Changes in assets and liabilities:				
(Increase) decrease in receivables	-	(14,107)	27,981	13,874
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	-	29,419	(9,909)	19,510
Increase (decrease) in accrued interest	-	-	-	-
Increase (decrease) in accrued vacation	-	-	-	-
Increase (decrease) in postclosure costs	-	(20,440)	-	(20,440)
Increase (decrease) in accrued payroll	-	-	2,868	2,868
Net cash provided by (used in) operating activities	<u>\$ (155,348)</u>	<u>\$ (2,033,110)</u>	<u>\$ 117,242</u>	<u>\$ (2,071,216)</u>

SCHEDULE of NONCASH INVESTING and FINANCING ACTIVITIES:

NONE

FLORENCE COUNTY, SOUTH CAROLINA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2006

	Agency Funds
<hr/>	
ASSETS	
Cash and investments	\$ 6,878,491
Total assets	<u>\$ 6,878,491</u>
 LIABILITIES	
Due to others	1,171,893
Due to other taxing units	<u>5,706,598</u>
Total liabilities	<u>\$ 6,878,491</u>

The Notes to Financial Statements are an integral part of this statement.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

Florence County is a municipal corporation governed by an elected nine member council. As required by generally accepted accounting principles, these financial statements present Florence County (the primary government) and its component unit, a legally separate entity for which the County is financially accountable. The component unit discussed in Note 1.B. is included in the County's reporting entity because of the significance of its operational or financial relationships with the County.

B. Component Unit

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended component units: Florence County has no blended component units.

Discretely presented component units: The component unit column in the combined financial statements includes the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Florence City-County Building Commission is responsible for the maintenance and operation of the Florence City-County Complex building. The County provides approximately 72% of the operating revenue for the Commission under an agreement with the City of Florence. The Commission is governed by a seven member board that is appointed by the Governor of the State of South Carolina. Five members are appointed based on the recommendation of County Council and two members on the recommendation of Florence City Council.

Complete financial statements of the individual component unit can be obtained at 180 North Irby Street, Box VV, Florence, S.C. 29502.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Council appoints the board members of the Howe Springs Fire District Board, the Sardis-Timmonsville Fire District Board, the Johnsonville Fire District Board, and the Commission on Alcohol and Drug Abuse.

D. Joint Venture

The County is a participant with the City of Florence in a joint venture to operate the Florence City-County Civic Center. The Florence City-County Civic Center Commission was created for that purpose. The Commission is governed by a nine member board composed of four appointees from the County and four from the City with the remaining member appointed by the members of the board. The County and the City are obligated by agreement to contribute \$520,000 each annually as its share of the cost of the Civic Center. Included in the agreement is a provision that any additional funding shortfall is to be paid equally by the County and the City. Neither of the participating governments have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2006. Complete financial statements of the Commission can be obtained from its administrative office at 3300 West Radio Drive, Florence, S.C. 29501.

E. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from a certain legally separate *component unit* for which the primary government is financially accountable.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Government-wide and Fund Financial Statements (Continued)

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* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

F. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In June 1999, Government Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis for state and local governments and in June 2001, GASB issued Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. These statements established new requirements for annual financial reports for state and local governments. The County implemented these statements for the year ended June 30, 2003.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund statements. The agency fund financial statements do not have a measurement focus; however, they are reported using 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.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

Property taxes, franchise fees, 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 government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Jail Debt Service/O&M Special Revenue Fund* accounts for the activities of the Sheriff's department and the county jail.

The *Grant Special Revenue Fund* accounts for the activities relative to various federal and state grants received throughout the fiscal year.

The government reports the following major proprietary funds:

The *Utility System Fund* accounts for the balances remaining after the water and sewer system were consolidated into the City of Florence utility system.

The *County Landfill Fund* accounts for the activities of the county landfill and the operation of 15 manned convenience centers throughout the county.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *E911 System Fund* accounts for the operating of the county's emergency 911 system.

The government also reports the receipt and disbursement of property taxes and other revenues for school districts, municipalities, fire districts, and other special purpose districts in its fiduciary funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a enterprise fund's principal ongoing operations. The principal operating revenues of the Utility System Fund, the County Landfill Fund, and the E911 System Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then use unrestricted resources as they are needed.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Data

Budget

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the County Administrator and Finance Director submit to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the County to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts within departments or between departments. Revisions that alter total expenditures of a fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for all funds of the County; however, legal budgets are adopted only for the General Fund and the following fourteen Special Revenue Funds: Florence-Darlington Technical Education Center and Library Special Revenue Fund, Capital Improvements Special Revenue Fund, Law Library Special Revenue Fund, Treasurer Delinquent Tax Special Revenue Fund, Jail Debt Service/Operations and Maintenance (O&M) Special Revenue Fund, Howe Springs Fire District Special Revenue Fund, Sardis-Timmonsville Fire District Special Revenue Fund, Johnsonville Fire District Special Revenue Fund, Economic Development Partnership Special Revenue Fund, Emergency Management Special Revenue Fund, Victim/Witness Assistance Special Revenue Fund, County Library Special Revenue Fund, Senior Citizens Center Special Revenue Fund, and Local Accommodations Fee Special Revenue Fund. For each fund for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of generally accepted accounting principles.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Data (Continued)

The County provides that the whole or any part of any appropriation provided for grants, and S.C. Accommodations tax budgeted amounts for outlays of any activity remaining unexpended or unencumbered at the close of the fiscal year shall remain in full force and effect and shall be held available for the following year, except any such appropriations as the County Council by ordinance may abandon. All other appropriations, which are not encumbered, lapse at the end of each fiscal year.

6. The budget for the General Fund is adopted on a basis that differs from generally accepted accounting principles (GAAP) in that expenditures are budgeted on a basis that includes encumbrances. Budgetary control over expenditures is exercised by County Council on a departmental basis to establish more administrative control than state law requires. Legal level of budgetary control is at the fund level. The actual results of operations are presented in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - in accordance with the budget basis to provide a meaningful comparison between actual results and budget. Adjustments necessary to convert the results of operations and fund balances at the end of year on the GAAP basis to the budget basis for the General Fund are as follows:

	Net Change in Fund Balance	Fund Balance at end of year
	General Fund	General Fund
GAAP basis	\$ (290,714)	\$9,593,480
Increase (decrease):		
Due to expenditures:		
Encumbrances	(164,748)	(173,905)
Inventories	-	(155,353)
Cash - Juror fee accounts	(9,477)	14,667
Budgetary basis	<u>\$ (464,939)</u>	<u>\$ 9,278,889</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County does not have budgets for the fiscal year ended June 30, 2006 for the South Carolina Accommodations Tax Special Revenue Fund, the Civic Center Special Revenue Fund, and the Grant Special Revenue Fund. Individual fund statements of revenues, expenditures, and changes in fund balance -- budget (budgetary basis) and actual present financial information for only the following special revenue funds which have legally adopted annual budgets: Florence-Darlington Technical Education Center and Library Special Revenue Fund, Capital Improvements Special Revenue Fund, Treasurer Delinquent Tax Special Revenue Fund, Jail Debt Service/Operations and Maintenance (O&M) Special Revenue Fund, Howe Springs Fire District Special Revenue Fund, Sardis-Timmonsville Fire District Special Revenue Fund, Johnsonville Fire District Special Revenue Fund, Law Library Special Revenue Fund, Economic Development Partnership Special Revenue Fund, Emergency Management Special Revenue Fund, Victim/Witness Assistance Special Revenue Fund, County Library Special Revenue Fund, Senior Citizens Center Special Revenue Fund, and Local Accommodations Fee Special Revenue Fund.

Encumbrances

The County maintains encumbrance accounts which are considered to be "budgetary accounts". Encumbrances outstanding at year end represent the estimated amounts of the expenditures ultimately to be incurred if unperformed contracts in process at year end are completed. Encumbrances outstanding at year end do not constitute expenditures or liabilities.

At June 30, 2006, \$173,905 of open purchase orders and contracts were outstanding. These amounts are reported as "Reserve for encumbrances" in the fund balance section of the balance sheet. Encumbrances do not lapse at year end.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Assets, Liabilities and Fund Equity

Deposits and investments

As of June 30, 2006, the County had the following investments and maturities:

Investment	Maturities	Fair Value
U.S. Government Agencies		
Federal Home Loan Bank	12/28/07 – 12/30/08	\$ 2,311,040
Federal National Mortgage Association	01/15/09	557,374
Certificates of Deposit	07/03/06 – 06/20/07	<u>25,067,562</u>
Total investments		<u>\$ 27,935,976</u>

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Statutes authorized the County to invest in obligations of the State of South Carolina and any of its political units, United States Government obligations fully insured or guaranteed by the United States Government, repurchase agreements and certificates of deposit which are secured by direct obligations of the State of South Carolina or the United States Government, and savings and loan associations to the extent that the same are insured by an agency of the Federal government. The County has no investment policy that would further limit its investment choices. The County's investments in US Agencies (Federal National Mortgage Association and Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer. More than 5% of the County's total investments are in certificates of deposit (89.7%) and Federal Home Loan Bank (8.3%).

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2006, the County had the following balances in cash and investments:

Cash, including restricted cash and investments	\$ 8,945,752
Investments	<u>27,935,976</u>
Total cash and investments	<u>\$36,881,728</u>

Property Taxes Receivable

Ad valorem taxes receivable are accrued as revenue for collections 60 days subsequent to year end; the balance is not accrued because it is not considered to be both "measurable and available". The amount of the receivable is reduced by an allowance for doubtful accounts and is based on historical collection experience (Note 2). An amount equal to the net receivable less the 60 days subsequent collections is shown as deferred revenue on the liability side of the balance sheet. The following dates are applicable to property taxes:

Lien date	December 31
Levy date	July 1
Due date	January 15
Collection date	March 15

According to South Carolina law, ad valorem taxes levied on July 1, the beginning of the fiscal year, are due January 15. Penalties accrue at that time. On March 15 delinquent costs also begin to accrue. On June 30, they are materially past due and, consequently, cannot be considered as a resource which can be used to finance the government operations for this year although the amount due is measurable.

For collection purposes, ad valorem taxes receivable are written off at the end of ten years in accordance with South Carolina law.

For reporting purposes this receivable also includes costs and fees relating to property taxes.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sales Tax Receivable

In November 1993, the Florence County voters approved a referendum to impose a one percent local option sales tax. This tax was imposed beginning May 1, 1994. All of the revenue collected from this tax is being used as a credit against ad valorem taxes and vehicle taxes. This credit first appeared on ad valorem tax notices mailed November 1994 and on vehicle tax notices beginning with those notices for January 1995.

According to GASB Statement 22, "Sales taxes collected by merchants but not yet required to be remitted to the taxing authority at the end of the fiscal year and taxes collected and held by one government agency for another at year-end should be accrued..." Therefore, May and June taxes which were received by the County within 60 days after fiscal year-end are shown as sales tax receivable on the asset side of the balance sheet.

Included in other payables at June 30, 2006 are local option sales tax collections in excess of local option sales tax credits applied on property tax notices as follows:

General Fund	\$ 924,282
Special Revenue Fund	<u>1,219,916</u>
	<u>\$2,144,198</u>

Allowance for Doubtful Accounts

An allowance for doubtful accounts is maintained for property taxes, Emergency Medical Services (EMS), Vehicle Registration Fee, Florence County Utility System, and Landfill receivables which historically experience uncollectible accounts. All other receivables are generally collectible and any doubtful accounts are considered immaterial.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories are maintained for major items used by the governmental funds and enterprise funds. Inventories of the governmental funds are valued at cost. The purchase method is used to account for most inventories of the governmental funds. The purchase method is not used for the drug and supply inventory of the EMS system since this inventory is held for use for EMS patients and is not expended until used. The purchase method is not used for the fuel truck inventory as well and is not expended until used. The amount of these inventories at June 30, 2006 is \$20,909. Therefore, the total Florence County General Fund inventory balance at June 30, 2006 of \$176,262 is not equally offset by the Florence County General Fund fund balance reserved for inventory of \$155,353. Under the purchase method, disbursements for inventory-type items in the General Fund are considered to be expenditures at the time of purchase. Supplies transferred to and consumed by the individual departments are considered a reduction of the inventory expenditure account and an expenditure of the department. Reported inventories accounted for using the purchase method in the governmental funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Restricted Assets - Cash and Investments

The balance shown in restricted assets - cash and investments at June 30, 2006 is the balance required for closure and post-closure costs of the Florence County Landfill.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Roads	20
Bridges	40
Machinery & equipment	10
Vehicles	5
Furniture & fixtures	10
Computer equipment	5

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the 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.

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.

Deferred Revenues

As discussed in the Summary of Significant Accounting Policies, ad valorem taxes receivable are not accrued as revenue because they are not considered to be both "measurable and available". NCGA Statement 3 states that property taxes that are measurable but not available should be initially recorded as deferred revenues. In addition, property taxes collected in advance of the fiscal year to which they apply should also be recorded as deferred revenues.

The balance in deferred revenues at June 30, 2006, is composed of the following elements:

	Receivables From Other Governments	Prepaid Vehicle Taxes & Fees	Unearned Grant Revenue	Other
General fund	\$1,417,500	\$1,007,684	\$ -	\$ (11,277)
Special revenue	-	172,928	1,993,674	-
Debt service	-	5,078	-	-
Total	\$1,417,500	\$1,185,690	\$1,993,674	\$ (11,277)

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

The amounts shown in the fund equity section of the balance sheet reflect fund balance as defined by "generally accepted accounting principles" in NCGA Statement 1. Portions of fund balance have also been reserved for inventories, encumbrances and debt service.

Equity includes the following:

1. Net assets - represents the cumulative net earnings of the enterprise funds.
2. Fund balance - represents the fund balances as defined by "generally accepted accounting principles" in governmental accounting and financial reporting standards.

Designated Fund Balances

Management has made designations of portions of unreserved fund balances for capital improvements or other subsequent year expenditures. These balances as of June 30, 2006 were as follows:

General Fund	\$1,142,999
Capital Improvements Special Revenue Fund	1,376,100
Treasurer Delinquent Tax Special Revenue Fund	147,174
Grant Special Revenue Fund	1,262,612
County General Capital Project Fund	2,272,595
Radio System Upgrade Capital Project Fund	161,590
Hannah/Salem/Friendfield Fire District Capital Project Fund	207
Street Sign Capital Project Fund	55,429
Johnsonville Fire District Capital Project Fund	6,858
Howe Springs Fire District Capital Project Fund	6,290

Deficit Fund Balances

The Florence/Darlington TEC Fund, the S.C. Accommodations Tax Fund, the Jail Debt Service/O&M Fund, and the Emergency Management Fund, all special revenue type funds, had deficit fund balances totaling \$59,865, \$8,531, \$1,216,585, and \$275,756, respectively, as of June 30, 2006. These deficits will be funded through future operations.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Revenues, Expenditures, and Expenses

Vacation and Sick Pay

The County's vacation policy provides for the accumulation of up to twenty-five days earned vacation as of the end of the calendar year with such leave being fully vested when earned. Depending on years of service, ten days (for service years 1-10), fifteen days (for service years 11-20) or twenty days (for service over twenty years) may accrue for the current year. Accumulated earned vacation at June 30, 2006, amounted to \$1,430,568 in total, all of which relates to the governmental funds. The liability of the governmental funds is recorded as a long-term obligation in the government-wide financial statements. The current portion is not considered to be material.

The County's sick leave policy provides for accumulation of ninety days earned sick leave. Depending on years of service, additional days are allowed to accrue for the current year but must be used within that year or be lost. Sick leave does not vest; any unused sick leave at retirement is lost and is not used in determination of length of service for retirement purposes. Since the County has no obligation for accumulated sick leave until actually taken, no accrual has been made.

Excess of Expenditures over Appropriations in Individual Funds

The following table shows the excess of expenditures over appropriations in individual funds for the year ended June 30, 2006.

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Florence Darlington TEC Special Revenue Fund	\$1,293,810	\$1,845,000	\$(551,190)
Capital Improvement Special Revenue Fund	450,000	460,087	(10,087)
Jail Debt Service/O&M Special Revenue Fund	15,716,424	15,921,506	(205,082)
Howe Springs Fire District Special Revenue Fund	396,776	450,720	(53,944)
Sardis-Timmonsville Fire District Special Revenue Fund	135,382	205,063	(69,681)
Johnsonville Fire District Special Revenue Fund	257,670	284,664	(26,994)

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 1. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Florence Darlington TEC Special Revenue Fund, the Capital Improvement Special Revenue Fund, the Howe Springs Fire District Special Revenue Fund, the Sardis-Timmonsville Fire District Special Revenue Fund, and the Johnsonville Fire District Special Revenue Fund excess expenditures were the result of two factors. First, the appropriations for these funds were based on historical appropriations that did not reflect the revenues of these funds. Second, as a result of the appropriations being based on historical appropriations for the past few fiscal years, a fund balance had accumulated in each of these funds. Therefore, the excess of expenditures occurred to reduce the fund balance for each of these funds to a more appropriate level.

For the Jail Debt Service/O&M Special Revenue Fund excess expenditures were the result of two factors. First, since the cost of fuel escalated during the year, expenditures for fuel exceeded the amount budgeted. Second, principal payments on the certificates of participation used to construct the jail exceeded the amount that was budgeted.

NOTE 2. DETAIL NOTES on ALL FUNDS

A. Assets

Receivables - Allowance for Doubtful Accounts

The amount shown on page 27 for property taxes receivable is net of an allowance for doubtful accounts of \$1,352,588 for property taxes not related to vehicles. The breakdown of this allowance is as follows:

General Fund	\$ 395,438
Special Revenue Funds	923,744
Debt Service Funds	<u>33,406</u>
	<u>\$1,352,588</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

A. Assets (Continued)

Included in the amount shown as property taxes receivable are vehicle taxes receivable net of an allowance for doubtful accounts of \$1,004,421. The breakdown of this allowance is as follows:

General Fund	\$ 312,434
Special Revenue Funds	669,323
Debt Service Funds	<u>22,664</u>
	<u>\$1,004,421</u>

Certain receivables included in other receivables are net of an allowance for doubtful accounts as follows:

	General Fund Vehicle Registration Fee	General Fund EMS	Enterprise
Gross receivables	\$836,054	\$4,199,790	\$ 928,223
Less: allowance for doubtful accounts	<u>836,054</u>	<u>3,994,930</u>	<u>846,126</u>
	<u>\$ -</u>	<u>\$ 204,860</u>	<u>\$ 82,097</u>

Due from Other Governments and Agencies

General Fund amounts due from other governments include the following:

State - taxes and licenses	\$3,242,476
State - other	286,816
Local municipality	<u>1,538,324</u>
	<u>\$5,067,616</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

Primary Government

Description	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,907,144	\$ 164,202	\$ -	\$ 8,071,346
Total capital assets, not being depreciated	<u>7,907,144</u>	<u>164,202</u>	<u>-</u>	<u>8,071,346</u>
Capital assets being depreciated:				
Buildings & additions	46,233,529	366,900	-	46,600,429
Improvements other than buildings	4,310,612	94,438	-	4,405,050
Autos & trucks	7,764,449	974,524	(469,761)	8,269,212
Furniture & fixtures	245,015	-	-	245,015
Machinery & equipment	19,083,447	915,003	(320,072)	19,678,378
Infrastructure	47,314,090	1,618,813	-	48,932,903
Total capital assets being depreciated	<u>124,951,142</u>	<u>3,969,678</u>	<u>(789,833)</u>	<u>128,130,987</u>
Less accumulated depreciation for:				
Buildings & additions	(9,034,112)	(1,001,242)	-	(10,035,354)
Improvements other than buildings	(655,743)	(242,692)	-	(898,435)
Autos & trucks	(5,204,190)	(996,539)	457,695	(5,743,034)
Furniture & fixtures	(107,269)	(23,268)	-	(130,537)
Machinery & equipment	(10,670,887)	(1,417,052)	320,072	(11,767,867)
Infrastructure	(25,362,665)	(2,383,874)	-	(27,746,539)
Total accumulated depreciation	<u>(51,034,866)</u>	<u>(6,064,667)</u>	<u>777,767</u>	<u>(56,321,766)</u>
Total capital assets being depreciated, net	<u>73,916,276</u>	<u>(2,094,989)</u>	<u>(12,066)</u>	<u>71,809,221</u>
Governmental activities capital assets, net	<u>\$ 81,823,420</u>	<u>\$(1,930,787)</u>	<u>(\$12,066)</u>	<u>\$ 79,880,567</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Business-type activities:

Capital assets being depreciated:				
Land	\$2,465,853	\$ -	\$ -	\$2,465,853
Buildings & additions	185,721	-	-	185,721
Improvements other than buildings	567,096	-	-	567,096
Autos & trucks	1,763,981	-	-	1,763,981
Furniture & fixtures	10,092	2,017	-	12,109
Machinery & equipment	659,590	54,718	-	714,308
Total capital assets being depreciated	<u>5,652,333</u>	<u>56,735</u>	<u>-</u>	<u>5,709,068</u>
Less accumulated depreciation for:				
Land	(153,537)	(781)	-	(154,318)
Buildings & additions	(185,721)	-	-	(185,721)
Improvements other than buildings	(465,836)	(22,868)	-	(488,704)
Autos & trucks	(1,662,644)	(22,006)	-	(1,684,650)
Furniture & fixtures	(7,234)	(475)	-	(7,709)
Machinery & equipment	(499,641)	(61,806)	-	(561,447)
Total accumulated depreciation	<u>(2,974,613)</u>	<u>(107,936)</u>	<u>-</u>	<u>(3,082,549)</u>
Total capital assets being depreciated, net	<u>2,677,720</u>	<u>(51,201)</u>	<u>-</u>	<u>2,626,519</u>
Business-type activities capital assets, net	<u>\$2,677,720</u>	<u>(\$51,201)</u>	<u>\$ -</u>	<u>\$2,626,519</u>

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

Governmental activities:	
General government	\$ 490,465
Public safety	1,727,477
Economic development	121,235
Public works, including depreciation of infrastructure assets	2,840,276
Health	285,905
Culture & recreation	<u>599,309</u>
Total depreciation expense – governmental activities	<u>\$6,064,667</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Business-type activities:	
Landfill	\$ 45,842
E911	<u>62,094</u>
Total depreciation expense – business type activities	<u>\$107,936</u>

The Civic Center is operated as a joint venture between the City of Florence and Florence County. Accordingly, the capital assets of the Civic Center are not included in the capital assets of the County.

The portion of the land in the landfill fund that was used for landfill purposes is being depreciated over a period of twenty-five (25) years since the future use of the land has been impaired due to its previous use as a municipal solid waste landfill. The remaining land in the landfill fund is vacant and has not been used for landfill purposes and therefore is not being depreciated.

B. Liabilities

Pension Plans and Other Post-Retirement Benefits

The County is a member of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost-sharing multiple-employer public employee retirement systems (PERS) and are administered by the South Carolina Retirement Systems. Benefit provisions, contribution rates and amendment authority are established under the authority of Title 9 of the South Carolina Code of Laws.

Generally, all employees are required to participate and contribute to the SCRS as a condition of employment. The normal cost is funded by contributions from the members at a rate of 6.25% of wages earned for the year. The employer's contribution rate is 7.70%. Employees who retire at or after age 65 or with 28 years of credited service are entitled to full retirement benefits, payable for life, with an annual rate equal to 1.82% of average final compensation, for each year of credited service. Vested employees are entitled to deferred annuity commencing at age 60.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Generally, all full-time employees whose principal duties are the preservation of public order, protection or prevention and control of property destruction by fire are eligible to participate in the SCPORS. The basic pension program is funded by contributions from the members at a 6.5% rate. The employer's contribution rate is 10.7%. There are no early retirement provisions under SCPORS. A member must have 25 years service for full retirement or must be age 55 with 5 years service, both criteria provide for full formula benefit, payable for life with an annual rate equal to 2.14% of average final compensation, for each year of credited service.

The County's contributions to the SCRS for the years ended June 30, 2006, 2005, and 2004 were \$1,256,085, \$1,060,829, and \$985,711, respectively, equal to the required contributions for each year. The County's contributions to the SCPORS for the years ended June 30, 2006, 2005, and 2004 were \$858,602, \$816,457, and \$782,321, respectively, equal to the required contributions for each year. Contributions by employees during the year were \$1,017,076 to the SCRS and \$520,710 to the SCPORS. The County's covered payroll for the SCRS and SCPORS was \$16,312,787 and \$8,024,319, respectively. Total current year payroll for all employees was \$24,823,678.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and South Carolina Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

The County provides post-retirement health insurance benefits for qualifying retirees as required by County Ordinance #15-87/88. Qualifying retirees are those who retired after September 1, 1987 with at least 15 years of continuous employment service with the County. The County will contribute the cost of insurance coverage as carried by the County for regular full-time employees according to the following scale which is based on years of service.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Years of service	% of coverage paid for by the County
35 years	100%
30 years	90%
25 years	80%
20 years	70%
15 years	60%

At June 30, 2006, there were 73 retirees receiving benefits under this ordinance. The County finances these benefits on a pay-as-you-go basis and the expenditures for these benefits for the year ended June 30, 2006 were \$173,278.

Long-Term Debt

The general obligation bonds shown as long-term obligations in the government-wide financial statements are collateralized by the full faith, credit and taxing power of the County. They bear interest payable semiannually, at rates varying from 3.00% to 7.00%. Principal and interest retirements are to be made from the applicable Debt Service Funds.

On April 1, 2000, the County issued \$5,500,000 of Series 2000 Florence County General Obligation Bonds. These bonds bear interest at rates ranging from 5.00% to 7.00%. The first interest payment of \$148,675 was due October 1, 2000 and semi-annually thereafter. The first principal payment was due April 1, 2001 and annually thereafter, with the final payment for both principal and interest due April 1, 2020. The proceeds of the bonds were used for various capital projects, including funding a portion of the costs of the construction of a new main library building.

On June 21, 2000, the County issued \$500,000 of Series 2000A Florence County General Obligation Bonds (Johnsonville Fire District). These bonds bear interest at 5.30%. The first interest payment of \$18,403 was due March 1, 2001 and semi-annually thereafter. The first principal payment was due March 1, 2002 and annually thereafter, with the final payment for both principal and interest due March 1, 2015.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

On October 11, 2001, the County issued \$430,000 of Series 2001 Florence County General Obligation Bonds (Hannah-Salem-Friendfield Fire District). These bonds bear interest at 4.10%. The first principal and interest payment of \$32,630 was due October 11, 2002 and annually thereafter with the final payment for both principal and interest due October 11, 2011.

On July 17, 2002, the County issued \$10,000,000 of Series 2002 Florence County General Obligation Bonds. These bonds bear interest at rates ranging from 3.00% to 4.75%. The first interest payment of \$243,883 was due March 1, 2003 and semiannually thereafter. The first principal payment was due March 1, 2003 and annually thereafter, with the final payment for both principal and interest due March 1, 2023. The proceeds of the bonds were used for funding a portion of the costs of the construction of a new main library building.

On October 15, 2003, the County issued \$210,000 of Florence County General Obligation Bonds, Series 2003 (Hannah-Salem-Friendfield Fire District). These bonds bear interest at a rate of 4.71%. Interest payments and principal payments was due annually beginning on October 15, 2004, with the first payment being in the amount of \$17,891. The final payment is due October 15, 2013. The proceeds of these bonds are being used to fund the construction of a new fire substation.

On February 5, 2004, the County issued \$950,000 of Florence County General Obligation Bonds, Series 2004 (Howe Springs Fire District). These bonds bear interest at a rate of 4.20%. Interest payments and principal payments was due annually beginning on February 5, 2005, with the first payment being in the amount of \$118,295. The final payment is due February 5, 2014. The proceeds of these bonds are being used to fund the purchase of new fire trucks and equipment.

On February 9, 2005, the County issued \$1,123,000 of Series 2005 Florence County General Obligation Refunding Bonds. These bonds bear interest at a rate of 3.13%. Interest payments and principal payments are due annually beginning on February 9, 2006, with the first payment being in the amount of \$246,123. The final payment is due February 9, 2010. The proceeds of the bonds were used to refund the entire amount outstanding of the Series 2000B Florence County General Obligation Bonds (Economic Development).

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

On March 16, 2005, the County issued \$4,200,000 of Series 2005 Florence County Advance Refunding General Obligation Bonds. These bonds bear interest at rates ranging from 3.00% to 4.00%. The first interest payment of \$243,883 is due October 1, 2005 and semiannually thereafter. The first principal payment is due April 1, 2006 and annually thereafter, with the final payment for both principal and interest due April 1, 2020. The proceeds of the bonds were used to refund \$3,935,000 of the Series 2000 Florence County General Obligation Bonds. The aggregate debt service of the Refunding Bonds is \$5,743,595. The aggregate debt service of the refunded bonds is \$5,811,640, for an aggregate difference of \$68,045. The economic gain from this refunding transaction was \$252,317.

General obligation bonds payable at June 30, 2006, are comprised of the following individual issues:

	Interest Rates	Maturity Date	Final Amount Outstanding	Current Maturity of Principal Installments
Florence County				
General Bonds:				
\$5,500,000, series 2000	7.00%	2007	\$ 220,000	\$220,000
	7.00%	2008	230,000	
			<u>450,000</u>	<u>220,000</u>
Johnsonville Fire				
District Bonds:				
\$500,000, series 2000	5.30%	2007	30,000	30,000
	5.30%	2008	30,000	
	5.30%	2009	35,000	
	5.30%	2010	40,000	
	5.30%	2011	40,000	
	5.30%	2012	45,000	
	5.30%	2013	50,000	
	5.30%	2014	50,000	
	5.30%	2015	55,000	
			<u>375,000</u>	<u>30,000</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

	Interest Rates	Maturity Date	Final Amount Outstanding	Current Maturity of Principal Installments
Hannah-Salem-Friendfield				
Fire District Bonds:				
\$430,000, series 2001	4.10%	2007	49,000	49,000
	4.10%	2008	50,000	
	4.10%	2009	54,000	
	4.10%	2010	57,000	
	4.10%	2011	60,000	
	4.10%	2012	63,000	
			<u>333,000</u>	<u>49,000</u>
Florence County				
General Bonds:				
\$10,000,000, series 2002	3.50%	2007	195,000	195,000
	3.75%	2008	200,000	
	4.00%	2009	210,000	
	4.00%	2010	220,000	
	4.00%	2011	225,000	
	4.00%	2012	235,000	
	4.10%	2013	250,000	
	4.20%	2014	260,000	
	4.30%	2015	275,000	
	4.40%	2016	285,000	
	4.45%	2017	300,000	
	4.55%	2018	315,000	
	4.65%	2019	330,000	
	4.70%	2020	350,000	
	4.75%	2021	370,000	
	4.75%	2022	385,000	
	4.75%	2023	410,000	
			<u>4,815,000</u>	<u>195,000</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

	Interest Rates	Maturity Date	Final Amount Outstanding	Current Maturity of Principal Installments
Hannah-Salem-Friendfield				
Fire District Bonds:				
\$210,000, series 2003	4.71%	2007	10,000	10,000
	4.71%	2008	12,000	
	4.71%	2009	13,000	
	4.71%	2010	14,000	
	4.71%	2011	14,000	
	4.71%	2012	15,000	
	4.71%	2013	55,000	
	4.71%	2014	60,000	
			<u>193,000</u>	<u>10,000</u>
Howe Springs Fire				
District Bonds:				
\$950,000, series 2004	4.20%	2007	85,119	85,119
	4.20%	2008	88,694	
	4.20%	2009	92,419	
	4.20%	2010	96,301	
	4.20%	2011	100,345	
	4.20%	2012	104,560	
	4.20%	2013	108,951	
	4.20%	2014	113,528	
			<u>789,917</u>	<u>85,119</u>
Florence County				
Refunding Bonds:				
\$1,123,000, series 2005	3.13%	2007	217,577	217,577
	3.13%	2008	224,387	
	3.13%	2009	231,410	
	3.13%	2010	238,653	
			<u>912,027</u>	<u>217,577</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

	Interest Rates	Maturity Date	Final Amount Outstanding	Current Maturity of Principal Installments
Florence County Advance Refunding Bonds:				
\$4,200,000, series 2005	3.00%	2007	35,000	35,000
	3.00%	2008	35,000	
	3.25%	2009	275,000	
	3.50%	2010	285,000	
	3.50%	2011	295,000	
	3.50%	2012	305,000	
	3.63%	2013	320,000	
	3.63%	2014	335,000	
	3.63%	2015	345,000	
	3.63%	2016	360,000	
	3.75%	2017	375,000	
	3.80%	2018	390,000	
	3.90%	2019	400,000	
	4.00%	2020	420,000	
			<u>4,175,000</u>	<u>35,000</u>
Total general obligation bonds			<u>\$12,042,944</u>	<u>\$841,696</u>

Amount of long-term liability due within one year, by class:

General obligation bonds	\$ 841,696
Certificates of participation	2,475,000
Capital leases	<u>737,270</u>
Total	<u>\$ 4,053,966</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Changes in long-term debt during 2006, are summarized as follows:

	Long-Term Debt July 1, 2005	Additions	Retirements	Long-Term Debt June 30, 2006
By type of debt:				
General obligation bonds	\$12,835,605	\$ -	\$ 792,661	\$12,042,944
Certificates of participation	24,985,000	-	2,385,000	22,600,000
Land commitment	150,000	-	150,000	-
Capital leases	2,357,242	749,110	1,266,897	1,839,455
Vacation pay	1,354,264	1,207,787	1,131,483	1,430,568
Total	<u>\$41,682,111</u>	<u>\$1,956,897</u>	<u>\$5,726,041</u>	<u>\$37,912,967</u>

By purpose:

General government:				
County general capital projects	\$ 4,860,000	\$ -	\$ 235,000	\$ 4,625,000
County vehicles	1,216,049	749,110	1,081,719	883,440
County equipment	95,301	-	33,947	61,354
Energy management	1,045,892	-	151,231	894,661
Public safety:				
Fire protection	1,852,605	-	161,688	1,690,917
County jail and radio system	16,490,100	-	1,574,100	14,916,000
Economic and physical development:				
Land commitment	150,000	-	150,000	-
Economic development	1,123,000	-	210,973	912,027
Culture & recreation:				
County library	5,000,000	-	185,000	4,815,000
Civic Center	8,494,900	-	810,900	7,684,000
Vacation pay	1,354,264	1,207,787	1,131,483	1,430,568
Total	<u>\$41,682,111</u>	<u>\$1,956,897</u>	<u>\$5,726,041</u>	<u>\$37,912,967</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Annual principal and interest requirements of general obligation bonds are summarized as follows:

Year Ended June 30,	Johnsonville Fire District Bonds		Hannah/Salem/ Friendfield Fire District Bonds		Howe Springs Fire District Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 30,000	\$ 19,875	\$ 59,000	\$ 22,743	\$ 85,119	\$ 33,176
2008	30,000	18,285	62,000	20,263	88,694	29,602
2009	35,000	16,695	67,000	17,648	92,419	25,876
2010	40,000	14,840	71,000	14,822	96,301	21,995
2011	40,000	12,720	74,000	11,825	100,345	17,950
2012-2016	200,000	27,295	193,000	16,949	327,039	27,848
2017-2021	-	-	-	-	-	-
2022-2026	-	-	-	-	-	-
	<u>\$375,000</u>	<u>\$109,710</u>	<u>\$526,000</u>	<u>\$104,250</u>	<u>\$789,917</u>	<u>\$156,447</u>

Year Ended June 30,	Florence County General Bonds		Florence County Refunding Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 415,000	\$ 241,775	\$ 217,577	\$ 28,546
2008	430,000	219,550	224,387	21,736
2009	210,000	195,950	231,410	14,713
2010	220,000	187,550	238,653	7,470
2011	225,000	178,750	-	-
2012-2016	1,305,000	746,735	-	-
2017-2021	1,665,000	430,538	-	-
2022-2026	<u>795,000</u>	<u>57,238</u>	<u>-</u>	<u>-</u>
	<u>\$5,265,000</u>	<u>\$2,258,086</u>	<u>\$ 912,027</u>	<u>\$72,465</u>

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

Year Ended June 30,	Florence County Advance Refunding Bonds		Totals	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 35,000	\$ 152,595	\$ 841,696	\$ 498,710
2008	35,000	151,545	870,081	460,981
2009	275,000	150,495	910,829	421,377
2010	285,000	141,558	950,954	388,235
2011	295,000	131,583	734,345	352,828
2012-2016	1,665,000	491,994	3,690,039	1,310,821
2017-2021	1,585,000	157,703	3,250,000	588,241
2022-2026	-	-	795,000	57,238
	<u>\$4,175,000</u>	<u>\$1,377,473</u>	<u>\$12,042,944</u>	<u>\$4,078,431</u>

	General		Totals
	<u>Principal</u>	<u>Interest</u>	
Reconciliation:			
Current portion	\$ 841,696	\$ 498,710	\$ 1,340,406
Subsequent years	<u>11,201,248</u>	<u>3,579,721</u>	<u>14,780,969</u>
Total	<u>\$12,042,944</u>	<u>\$4,078,431</u>	<u>\$16,121,375</u>

On December 23, 1992, the County issued \$45,880,000 in certificates of participation with an average interest of 5.54% to advance refund \$41,845,000 of outstanding 1990 certificates of participation with an average interest rate of 7.31%. The net proceeds of \$43,692,903 (after providing for \$2,342,484 in underwriting fees, insurance, and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 certificates of participation. As a result, the 1990 certificates of participation are considered to be defeased and the liability for those certificates has been removed from the long-term obligations section of the government-wide financial statements. On March 1, 2000, at the first call date for the 1990 certificates, \$33,862,338 from the irrevocable trust was used to pay the outstanding balance of these certificates. Therefore, at June 30, 2002, the balance outstanding of the 1990 certificates was zero (\$0).

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

The County advance refunded the 1990 certificates of participation to reduce its total debt service payments over the next 22 years by almost \$815,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$715,340.

On March 3, 2003, the first call date for the 1992 certificates, the County issued \$29,515,000 variable rate refunding certificates of participation to pay the entire outstanding balance of the 1992 certificates, as well as the issuance costs of the new 2003 certificates.

The County is obligated under the certificates of participation issued on March 3, 2003 as noted above. (See Note 7) The annual payments for these certificates are contingent upon County Council making an annual appropriation for each year's lease requirement. These certificates are accounted for as capital leases in the long-term obligations section of the government-wide financial statements. Because they are not backed by the full faith and credit of the County, they do not represent general obligation debt of the County. Since these are variable rate certificates, the following is a schedule of future minimum lease principle payments under capital leases as of June 30, 2006. No future interest payments are presented.

Year ending June 30	Long-term debt
2007	\$ 2,475,000
2008	2,570,000
2009	2,665,000
2010	2,765,000
2011	2,870,000
2012-2016	<u>9,255,000</u>
Minimum capital lease principal payments	<u>\$22,600,000</u>

On September 30, 2005, the County entered into a capital lease. The lease bears interest at a rate of 3.41%. Interest payments and principal payments were due quarterly beginning on November 30, 2005, with the first payment being in the amount of \$65,750. The final payment is due August 30, 2008. The proceeds of this lease are being used to fund the purchase of new vehicles and equipment.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 2. DETAIL NOTES on ALL FUNDS (Continued)

The gross amount of capital assets acquired under capital leases by major assets class as of June 30, 2006 is as follows:

Improvements other than buildings	\$ 98,000
Autos & trucks	825,314
Machinery & equipment	<u>1,555,728</u>
 Total	 <u>\$2,479,042</u>

The County is obligated under other leases accounted for as noncancellable operating leases. The following is a schedule of future minimum lease payments under noncancellable operating leases as of June 30, 2006:

Year ending June 30	\$
2007	41,500
2008	41,500
2009	41,500
2010	41,500
2011	41,500
2012-2016	<u>107,042</u>
	<u>\$ 314,542</u>

NOTE 3. RESTRICTED ASSETS - ENTERPRISE FUNDS

The balances of the restricted asset accounts in the enterprise funds are as follows:

Restricted cash – held for closure and postclosure costs	\$922,965
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NOTE 4. SUMMARY DISCLOSURE of SIGNIFICANT CONTINGENCIES

Litigation

The County is defendant in several miscellaneous litigations. Any losses which may be incurred and are not fully covered by County insurance are not expected to be material. Legal fees related to these litigations are also not expected to be material.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 4. SUMMARY DISCLOSURE of SIGNIFICANT CONTINGENCIES (Continued)

Federal and State Assisted Programs

The County has received proceeds from several Federal and State Grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 5. LEASING ARRANGEMENTS

The County has entered into an operating lease agreement with a fire district whereby the district will pay the County for renting a portion of the Lower Florence County Public Service Building. At June 30, 2006, the minimum future rentals under this lease are \$22,483 annually for 13 years or \$292,279 total. The revenue from these rentals is recorded by the County in the Lower Florence County Public Service Building Debt Service Fund.

NOTE 6. NO-COMMITMENT DEBT

At June 30, 2006 approximately \$207,630,000 of industrial and hospital revenue bonds bearing the County's name were outstanding. This debt is repayable only by the entities for whom the debt is issued and the County assumes no responsibility for repayment.

In addition, during fiscal year 1994, the County entered into a three-county industrial park agreement. Subsequent to this agreement, a company, with locations in Florence County and the other two counties, obtained industrial revenue bond financing which will allow them to borrow up to \$200,000,000 over the next five years. At June 30, 2005 approximately \$10,700,000 of the \$200,000,000 was included in the revenue bonds disclosed in the preceding paragraph. The portion of proceeds spent in Florence County will constitute "no-commitment debt" for the County and the County will assume no responsibility for its repayment.

NOTE 7. COMMITMENTS

Of the total unreserved general fund balance of \$9,264,222, \$8,121,223 is undesignated. The remaining \$1,142,999 is designated to finance current and future capital improvement needs of Florence County.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 7. COMMITMENTS (Continued)

During fiscal year 1993, Florence County Council approved an ordinance and certain agreements authorizing the sale of \$45,880,000 of Refunding Series Certificates of Participation. The proceeds of this issue were placed in an irrevocable trust to provide for all future debt service payments of the 1990 Certificates of Participation. The County's obligation to repay these certificates is dependent upon annual appropriations being made by the County for that purpose. Although this obligation of the County does not constitute a pledge of the full faith, credit, or taxing power of the County within the meaning of any state constitutional or statutory provision, the County is financially obligated for repayment and has set up certain Special Revenue and Debt Service funds from which it contemplates making the annual appropriations. The proceeds of these certificates were used to finance the construction of a Law Enforcement Center, a Civic Center, a radio transmission tower, and to purchase other County equipment.

On March 3, 2003, the first call date for the 1992 certificates, the County issued \$29,515,000 variable rate refunding certificates of participation to pay the entire outstanding balance of the 1992 certificates, as well as the issuance costs of the new 2003 certificates.

Principal and interest payments for the refunding series of certificates of participation are being funded by annual appropriations made by County Council. In fiscal year 2005, the millage requirement for debt service, jail operations, and the sheriff's department was 31.5 mils.

The debt service costs and the operation and maintenance costs for the Civic Center are being jointly paid by the City of Florence and the County. The two entities have entered into a service agreement whereby each are making equal annual payments into a Civic Center Debt Service and Operations and Maintenance Fund from which these costs will be paid. All Civic Center revenues are to be used to offset operation and maintenance costs, thereby reducing the amounts needed from the Debt Service and Operations and Maintenance Fund. In fiscal year 2003, the County began using revenues from the Local Accommodations Tax Special Revenue Fund to meet its obligations under this service agreement. The City-County service agreement requires that, if the annual payments and balances on hand in the Debt Service and Operations and Maintenance Fund are not sufficient in any year to pay the debt service and net operations and maintenance costs, the County and City must make equal additional payments to fund the deficiency. The annual payment from both the County and the City was approximately \$1,140,000 each for the fiscal year ended June 30, 2006. It is expected that the City's and County's annual payments will decrease to approximately \$1,050,000 per year beginning in fiscal year 2007.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2006

NOTE 8. CONTINGENCIES

Pursuant to the Solid Waste Management Act of 1991, Florence County must operate a Sub-title D landfill in compliance with the provisions of the Act, to continue to accept solid waste into its landfill after October, 1995. Among the requirements of Sub-title D operation are installation of synthetic liners in all fill areas, installation of a cap over the filled areas at the time of closure, and funding of a post-closure account to defray costs of monitoring and compliance after closure.

On October 5, 1995, the County received a six-month extension on compliance with the Act and did not have to operate a Sub-title D landfill until April 9, 1996.

On April 9, 1996, the County closed the vertical expansion portion of the landfill and contracted with a private company to transport the County's solid waste to another landfill.

Because the County elected to close the vertical expansion portion of the landfill, the County will now incur costs for closure of this portion of the landfill as well as post-closure care costs such as the purchase of liability insurance to protect the County in the event of an incident of contamination and the monitoring of this portion of the landfill for a thirty year period. These costs are estimated at approximately \$922,965 at June 30, 2006 and has been funded by user fees which were being collected through September, 1995. Since the vertical expansion portion of the landfill was closed on April 9, 1996, the estimated amount for closure and post closure costs have been fully accrued at June 30, 2006. Costs for closure and post-closure care are based on engineering estimates and are subject to change based on various factors some of which include inflation, deflation, changes in technology, and changes in laws or regulations.

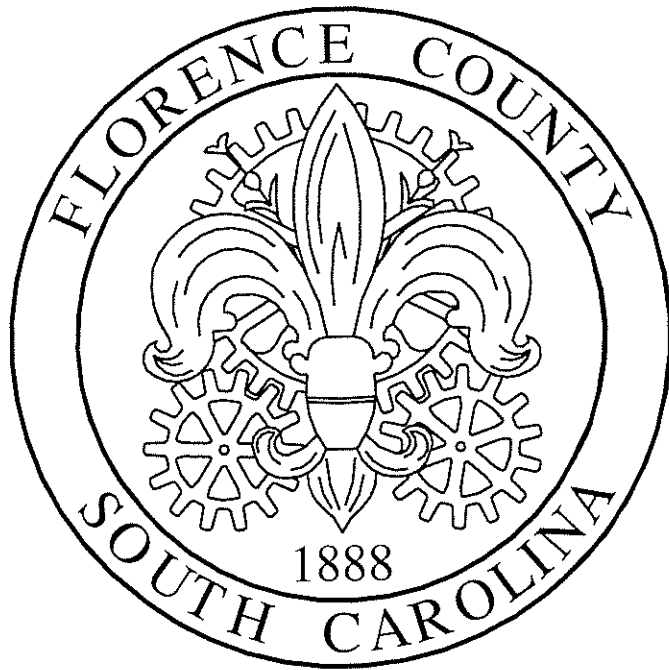
The Solid Waste Management Act, which was amended on June 23, 1995, requires the County to adopt one, or a combination of a few, financial assurance mechanisms that would bind and legally enforce the County to make the payments necessary for closure and post-closure care costs. The County has restricted the cash necessary for the payment of the closure and post-closure care costs in the Landfill Enterprise Fund and has chosen the local government financial test as its financial assurance mechanism. This test requires that the finance director provide certification annually that the County meets certain financial ratios and certain other criteria in order to comply with financial assurance under the Solid Waste Management Act.

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2006

NOTE 9. 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; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. The County participates in certain state-wide funds for the purchasing of workers compensation insurance and liability insurance. The County's primary risk with regard to these funds is only for the annual premiums. However, the County does bear a secondary risk if the funds were to default due to either a wide-spread increase in claim experience or mismanagement of the funds assets. If this event were to occur, the County, along with all other participants in the funds, would be charged additional assessments. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Florence Darlington TEC Fund - To account for the receipt of tax revenues and the disbursement of these revenues to Florence Darlington TEC.

S.C. Accommodations Tax Fund - To account for the receipt of accommodations taxes and the disbursement of these taxes to various cultural and tourism related organizations.

Civic Center Fund - To account for the receipt and disbursement of the annual appropriation for the Civic Center from Florence County and the City of Florence.

Capital Improvements Fund - To account for specific capital projects of the County.

Treasurer Delinquent Tax Fund - To account for the collection of delinquent tax costs and fees and the expenditures of the delinquent tax office.

Victim/Witness Assistance Fund - To account for the receipt of fines and fees charges in magistrate court and general sessions court and the expenditures to assist victims and witnesses of various crimes.

Howe Springs Fire District - To account for the receipt of property tax revenue and the disbursement of this revenue to the fire district.

Sardis - Timmonsville Fire District - To account for the receipt of property tax revenue and the disbursement of this revenue to the fire district.

Johnsonville Fire District - To account of the receipt of property tax revenue and the disbursement of this revenue to the fire district.

Law Library Fund - To account for the receipt of fee revenue and the expenditure of this revenue for the law library.

Economic Development Partnership Fund - To account for the receipt of both private revenue sources as well as a matching transfer from the General Fund and the expenditure of these revenues for economic development purposes.

Emergency Management Fund - To account for the receipt of property tax revenue and other revenues and the expenditures of the radio system, central dispatch, and the emergency management department.

Local Accommodations Fee Fund - To account for the receipt of local accommodations fees and the expenditures for tourist-related activities.

County Library Fund - To account for operation of the county library system.

Senior Citizens Center Fund - To account for the operation of the senior citizens center

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt and long-term obligation principal, interest, and related costs.

The following funds are reported in this section:

Hannah/Salem/Friendfield Fire District Debt Service Fund - To account for the receipt of property tax revenue and the payment of debt service for the fire district.

Johnsonville Fire District Debt Service Fund - To account for the receipt of property tax revenue and the payment of debt service for the fire district.

Howe - Springs Fire District Debt Service Fund - To account for the receipt of property tax revenue and the payment of debt service for the fire district.

Lower Florence County Public Service Building Debt Service Fund - To account for the receipt of rent revenue and interest income and the payment of debt service on this building.

Civic Center Debt Service Fund - To account for the receipt of the annual appropriation from Florence County and the City of Florence and the payment of the annual debt service for the Civic Center.

2000 General Obligation Bond Debt Service Fund - To account for the receipt of the annual appropriation from the General Fund and the payment of debt service on the bond which was issued for various purposes.

2000 Economic Development Bond Debt Service Fund - To account for the annual appropriation from the General Fund and the payment of debt service on the bond which was issued for economic development purposes.

Energy Management Debt Service Fund - To account for the annual appropriation from the General Fund and the payment of debt service on the lease which was entered into for energy management purposes.

Capital Lease Debt Service Fund - To account for the annual appropriation from the General Fund and the payment of debt service on various capital leases which were entered into to finance the purchase of various vehicles and equipment.

Library Debt Service Fund - To account for the receipt of property tax revenue and the payment of debt service for the new Florence County Library building.

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Special Revenue Funds		
	Law Library Fund	Victim/ Witness Assistance Fund	Treasurer Delinquent Tax Fund
ASSETS AND OTHER DEBITS			
Assets:			
Cash and investments	\$ 16,152	\$ 585,296	\$ 157,611
Receivables:			
Property taxes (net)	-	-	-
Other governmental units and agencies	-	11,888	-
Others (net)	-	-	2,640
Inventory	-	-	-
Prepays	-	-	25
Due from other funds	-	-	-
Total assets and other debits	\$ 16,152	\$ 597,184	\$ 160,276
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 41	\$ 6,030	\$ 1,038
Payroll withholdings and accruals	-	12,268	4,081
Other payables	-	-	-
Due to other funds	-	-	-
Deferred revenues	-	-	7,983
Total liabilities	41	18,298	13,102
Fund equity:			
Fund balance:			
Reserved for debt service reserve	-	-	-
Reserved for encumbrances	-	-	-
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Unreserved, reported in:			
Special revenue funds	16,111	578,886	147,174
Debt service funds	-	-	-
Capital project funds	-	-	-
Total fund equity	16,111	578,886	147,174
Total liabilities and fund equity	\$ 16,152	\$ 597,184	\$ 160,276

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Special Revenue Funds			
	Howe Springs Fire District	Sardis- Timmons- ville Fire District	Johnsonville Fire District	Economic Development Partnership Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 10,751	\$ 79,780	\$ 20,371	\$ 833,764
Receivables:				
Property taxes (net)	-	-	-	-
Other governmental units and agencies	-	-	-	(657)
Others (net)	-	-	-	-
Inventory	-	-	-	2,188
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Total assets and other debits	<u>\$ 10,751</u>	<u>\$ 79,780</u>	<u>\$ 20,371</u>	<u>\$ 835,295</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,175
Payroll withholdings and accruals	-	-	-	13,473
Other payables	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	18,870	20,316	-
Total liabilities	<u>-</u>	<u>18,870</u>	<u>20,316</u>	<u>23,648</u>
Fund equity:				
Fund balance:				
Reserved for debt service reserve	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	10,751	60,910	55	811,647
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund equity	<u>10,751</u>	<u>60,910</u>	<u>55</u>	<u>811,647</u>
Total liabilities and fund equity	<u>\$ 10,751</u>	<u>\$ 79,780</u>	<u>\$ 20,371</u>	<u>\$ 835,295</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Special Revenue Funds			
	Emergency Management Fund	County Library Fund	Senior Citizens Center Fund	Local Accommodations Fee Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ -	\$ 984,041	\$ 453,385	\$ 2,010,570
Receivables:				
Property taxes (net)	11,887	9,636	574	-
Other governmental units and agencies	243,594	164,053	24,856	-
Others (net)	1	-	-	114,851
Inventory	-	-	-	-
Prepays	2,313	1,748	-	-
Due from other funds	-	-	-	-
Total assets and other debits	<u><u>\$ 257,795</u></u>	<u><u>\$ 1,159,478</u></u>	<u><u>\$ 478,815</u></u>	<u><u>\$ 2,125,421</u></u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 179,233	\$ 129,724	\$ 32,578	\$ -
Payroll withholdings and accruals	61,240	53,775	2,633	-
Other payables	-	-	-	-
Due to other funds	293,078	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u><u>533,551</u></u>	<u><u>183,499</u></u>	<u><u>35,211</u></u>	<u><u>-</u></u>
Fund equity:				
Fund balance:				
Reserved for debt service reserve	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	(275,756)	975,979	443,604	2,125,421
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund equity	<u><u>(275,756)</u></u>	<u><u>975,979</u></u>	<u><u>443,604</u></u>	<u><u>2,125,421</u></u>
Total liabilities and fund equity	<u><u>\$ 257,795</u></u>	<u><u>\$ 1,159,478</u></u>	<u><u>\$ 478,815</u></u>	<u><u>\$ 2,125,421</u></u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Debt Service Funds			
	Hannah/ Salem/ Friendfield Fire District Fund	Johnsonville Fire District Fund	Howe Springs Fire District Fund	Lower Florence County Public Service Building Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 91,341	\$ 24,018	\$ 32,174	\$ 345,283
Receivables:				
Property taxes (net)	-	-	-	-
Other governmental units and agencies	-	-	-	-
Others (net)	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Total assets and other debits	<u>\$ 91,341</u>	<u>\$ 24,018</u>	<u>\$ 32,174</u>	<u>\$ 345,283</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll withholdings and accruals	-	-	-	-
Other payables	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	5,078	-	-
Total liabilities	<u>-</u>	<u>5,078</u>	<u>-</u>	<u>-</u>
Fund equity:				
Fund balance:				
Reserved for debt service reserve	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	91,341	18,940	32,174	345,283
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund equity	<u>91,341</u>	<u>18,940</u>	<u>32,174</u>	<u>345,283</u>
Total liabilities and fund equity	<u>\$ 91,341</u>	<u>\$ 24,018</u>	<u>\$ 32,174</u>	<u>\$ 345,283</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Debt Service Funds			
	Civic Center Fund	2000 General Obligation Bond Fund	2000 Economic Development Bond Fund	Energy Management Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 428,126	\$ -	\$ -	\$ -
Receivables:				
Property taxes (net)	-	-	-	-
Other governmental units and agencies	472,946	-	-	36,418
Others (net)	369,133	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Total assets and other debits	\$ 1,270,205	\$ -	\$ -	\$ 36,418
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 19,032	\$ -	\$ -	\$ -
Payroll withholdings and accruals	-	-	-	-
Other payables	-	-	-	-
Due to other funds	-	-	-	36,418
Deferred revenues	-	-	-	-
Total liabilities	19,032	-	-	36,418
Fund equity:				
Fund balance:				
Reserved for debt service reserve	1,251,173	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund equity	1,251,173	-	-	-
Total liabilities and fund equity	\$ 1,270,205	\$ -	\$ -	\$ 36,418

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Debt Service Funds		Capital Project Funds	
	Capital Lease Fund	Library Fund	Library Fund	County General Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ -	\$ 884,993	\$ 1,033,385	\$ 2,274,402
Receivables:				
Property taxes (net)	-	-	-	-
Other governmental units and agencies	-	69,598	-	-
Others (net)	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Total assets and other debits	\$ -	\$ 954,591	\$ 1,033,385	\$ 2,274,402
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,807
Payroll withholdings and accruals	-	-	-	-
Other payables	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	-	-	-	1,807
Fund equity:				
Fund balance:				
Reserved for debt service reserve	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	-	954,591	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	1,033,385	2,272,595
Total fund equity	-	954,591	1,033,385	2,272,595
Total liabilities and fund equity	\$ -	\$ 954,591	\$ 1,033,385	\$ 2,274,402

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Capital Project Funds			
	Radio System Upgrade Fund	Hannah/ Salem/ Friendfield Fire District Fund	Street Sign Fund	Johnsonville Fire District Fund
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 161,590	\$ 207	\$ 55,429	\$ 6,858
Receivables:				
Property taxes (net)	-	-	-	-
Other governmental units and agencies	-	-	-	-
Others (net)	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Total assets and other debits	<u>\$ 161,590</u>	<u>\$ 207</u>	<u>\$ 55,429</u>	<u>\$ 6,858</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll withholdings and accruals	-	-	-	-
Other payables	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:				
Fund balance:				
Reserved for debt service reserve	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	161,590	207	55,429	6,858
Total fund equity	<u>161,590</u>	<u>207</u>	<u>55,429</u>	<u>6,858</u>
Total liabilities and fund equity	<u>\$ 161,590</u>	<u>\$ 207</u>	<u>\$ 55,429</u>	<u>\$ 6,858</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2006

(Continued)

	Capital Project Fund		Howe Springs Fire District Fund	Total
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$	6,290		\$ 11,961,390
Receivables:				
Property taxes (net)		-		22,097
Other governmental units and agencies		-		1,149,042
Others (net)		-		485,968
Inventory		-		-
Prepays		-		6,274
Due from other funds		-		-
Total assets and other debits	\$	6,290		\$ 13,624,771
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$	-		\$ 475,572
Payroll withholdings and accruals		-		147,470
Other payables		-		-
Due to other funds		-		390,716
Deferred revenues		-		178,006
Total liabilities		-		1,191,764
 Fund equity:				
Fund balance:				
Reserved for debt service reserve		-		1,251,173
Reserved for encumbrances		-		-
Reserved for inventory		-		-
Reserved for debt service		-		1,442,329
Unreserved, reported in:				
Special revenue funds		-		6,203,151
Debt service funds		-		-
Capital project funds		6,290		3,536,354
Total fund equity		6,290		12,433,007
Total liabilities and fund equity	\$	6,290		\$ 13,624,771



FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	Special Revenue Funds			
	Florence Darlington TEC Fund	S.C. Accommodations Tax Fund	Civic Center Fund	Capital Improvements Fund
Revenues:				
Taxes	\$ 1,511,430	\$ -	\$ 9	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	385,823	-	-
Sales and other functional revenues	-	-	-	-
Miscellaneous	15,046	-	4	-
Total revenues	<u>1,526,476</u>	<u>385,823</u>	<u>13</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	627	-	460,087
Public safety	-	-	-	-
Economic and physical development	-	124,735	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	358,000	-	-
Education	1,845,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest	-	-	-	-
Paying agent fee	-	-	-	-
Total expenditures	<u>1,845,000</u>	<u>483,362</u>	<u>-</u>	<u>460,087</u>
Revenues over (under) expenditures	(318,524)	(97,539)	13	(460,087)
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	-	-	-	450,000
Operating transfer out	-	-	-	-
Net change in fund balances	(318,524)	(97,539)	13	(10,087)
Fund balance - beginning of year	<u>258,659</u>	<u>89,008</u>	<u>652</u>	<u>1,386,187</u>
Fund balance - end of year	<u>\$ (59,865)</u>	<u>\$ (8,531)</u>	<u>\$ 665</u>	<u>\$ 1,376,100</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Special Revenue Funds		
	Law Library Fund	Victim/ Witness Assistance Fund	Treasurer Delinquent Tax Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and fees	53,503	328,680	498,569
Intergovernmental	-	-	-
Sales and other functional revenues	-	-	-
Miscellaneous	-	20,074	-
Total revenues	<u>53,503</u>	<u>348,754</u>	<u>498,569</u>
Expenditures:			
Current:			
General government	29,779	382,901	354,753
Public safety	-	173,924	-
Economic and physical development	-	-	-
Public works	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirements	-	-	-
Interest	-	-	-
Paying agent fee	-	-	-
Total expenditures	<u>29,779</u>	<u>556,825</u>	<u>354,753</u>
Revenues over (under) expenditures	23,724	(208,071)	143,816
Other financing sources (uses):			
Proceeds of bond issue	-	-	-
Proceeds of capital lease	-	-	-
Operating transfer in	-	-	-
Operating transfer out	-	-	(100,000)
Net change in fund balances	23,724	(208,071)	43,816
Fund balance - beginning of year	(7,613)	786,957	103,358
Fund balance - end of year	<u>\$ 16,111</u>	<u>\$ 578,886</u>	<u>\$ 147,174</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Special Revenue Funds			
	Howe Springs Fire District	Sardis- Timmons- ville Fire District	Johnsonville Fire District	Economic Development Partnership Fund
Revenues:				
Taxes	\$ 423,436	\$ 215,100	\$ 243,157	\$ -
Licenses and permits	-	-	-	391,942
Fines and fees	-	-	-	-
Intergovernmental	27,938	5,782	4,753	-
Sales and other functional revenues	-	-	-	-
Miscellaneous	840	1,810	38,184	19,729
Total revenues	<u>452,214</u>	<u>222,692</u>	<u>286,094</u>	<u>411,671</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	450,720	182,578	284,664	-
Economic and physical development	-	-	-	861,456
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	-	22,485	-	-
Interest	-	-	-	-
Paying agent fee	-	-	-	-
Total expenditures	<u>450,720</u>	<u>205,063</u>	<u>284,664</u>	<u>861,456</u>
Revenues over (under) expenditures	1,494	17,629	1,430	(449,785)
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	416,000
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Net change in fund balances	1,494	17,629	1,430	(33,785)
Fund balance - beginning of year	<u>9,257</u>	<u>43,281</u>	<u>(1,375)</u>	<u>845,432</u>
Fund balance - end of year	<u>\$ 10,751</u>	<u>\$ 60,910</u>	<u>\$ 55</u>	<u>\$ 811,647</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Special Revenue Funds			
	Emergency Management Fund	County Library Fund	Senior Citizens Center Fund	Local Accommodations Fee Fund
Revenues:				
Taxes	\$ 1,966,323	\$ 1,370,225	\$ 198,378	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	1,183,531
Intergovernmental	-	-	-	-
Sales and other				
functional revenues	33,846	-	6,372	-
Miscellaneous	-	52,881	12,578	78,029
Total revenues	<u>2,000,169</u>	<u>1,423,106</u>	<u>217,328</u>	<u>1,261,560</u>
Expenditures:				
Current:				
General government	-	-	138,780	33,510
Public safety	2,250,275	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	3,380,904	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest	-	-	-	-
Paying agent fee	-	-	-	-
Total expenditures	<u>2,250,275</u>	<u>3,380,904</u>	<u>138,780</u>	<u>33,510</u>
Revenues over (under) expenditures	(250,106)	(1,957,798)	78,548	1,228,050
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	58,140	1,341,000	-	-
Operating transfer out	-	-	-	(1,143,013)
Net change in fund balances	(191,966)	(616,798)	78,548	85,037
Fund balance - beginning of year	(83,790)	1,592,777	365,056	2,040,384
Fund balance - end of year	<u>\$ (275,756)</u>	<u>\$ 975,979</u>	<u>\$ 443,604</u>	<u>\$ 2,125,421</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Debt Service Funds			
	Hannah/ Salem/ Friendfield Fire District Fund	Johnsonville Fire District Fund	Howe Springs Fire District Fund	Lower Florence County Public Service Building Fund
Revenues:				
Taxes	\$ 80,023	\$ 45,646	\$ 88,521	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	-	-	-
Sales and other functional revenues	-	-	-	-
Miscellaneous	2,112	738	1,772	32,716
Total revenues	<u>82,135</u>	<u>46,384</u>	<u>90,293</u>	<u>32,716</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	55,000	25,000	81,688	-
Interest	25,055	21,167	36,607	-
Paying agent fee	-	-	-	-
Total expenditures	<u>80,055</u>	<u>46,167</u>	<u>118,295</u>	<u>-</u>
Revenues over (under) expenditures	2,080	217	(28,002)	32,716
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Net change in fund balances	2,080	217	(28,002)	32,716
Fund balance - beginning of year	<u>89,261</u>	<u>18,723</u>	<u>60,176</u>	<u>312,567</u>
Fund balance - end of year	<u>\$ 91,341</u>	<u>\$ 18,940</u>	<u>\$ 32,174</u>	<u>\$ 345,283</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Debt Service Funds			
	Civic Center Fund	2000 General Obligation Bond Fund	2000 Economic Development Bond Fund	Energy Management Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	1,143,012	-	-	-
Sales and other functional revenues	-	-	-	-
Miscellaneous	33,060	-	-	-
Total revenues	<u>1,176,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	993,947	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	810,900	235,000	210,973	125,058
Interest	506,899	208,553	35,150	48,953
Paying agent fee	7,338	4,841	-	-
Total expenditures	<u>2,319,084</u>	<u>448,394</u>	<u>246,123</u>	<u>174,011</u>
Revenues over (under) expenditures	(1,143,012)	(448,394)	(246,123)	(174,011)
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	1,143,012	448,394	246,123	174,011
Operating transfer out	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	<u>1,251,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 1,251,173</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Debt Service Funds		Capital Project Funds	
	Capital Lease Fund	Library Fund	Library Fund	County General Fund
Revenues:				
Taxes	\$ -	\$ 527,122	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	-	-	-
Sales and other functional revenues	-	-	-	-
Miscellaneous	-	29,252	31,678	80,724
Total revenues	-	556,374	31,678	80,724
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	660,974
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	1,075,701	185,000	-	-
Interest	36,611	215,825	-	-
Paying agent fee	-	438	-	-
Total expenditures	1,112,312	401,263	-	660,974
Revenues over (under) expenditures	(1,112,312)	155,111	31,678	(580,250)
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	1,112,312	-	-	238,887
Operating transfer out	-	-	-	(201,765)
Net change in fund balances	-	155,111	31,678	(543,128)
Fund balance - beginning of year	-	799,480	1,001,707	2,815,723
Fund balance - end of year	\$ -	\$ 954,591	\$ 1,033,385	\$ 2,272,595

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Capital Project Funds			
	Radio System Upgrade Fund	Hannah/ Salem/ Friendfield Fire District Fund	Street Sign Fund	Johnsonville Fire District Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	100,000	-	-	-
Sales and other	-	-	-	-
functional revenues	-	241	1,699	210
Miscellaneous	-	241	1,699	210
Total revenues	<u>100,000</u>	<u>241</u>	<u>1,699</u>	<u>210</u>
Expenditures:				
Current:				
General government	2,715	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	39,620	11,801	-	-
Capital outlay	39,620	11,801	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest	-	-	-	-
Paying agent fee	-	-	-	-
Total expenditures	<u>42,335</u>	<u>11,801</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	57,665	(11,560)	1,699	210
Other financing sources (uses):				
Proceeds of bond issue	-	-	-	-
Proceeds of capital lease	-	-	-	-
Operating transfer in	400,000	-	-	-
Operating transfer out	-	-	-	-
Net change in fund balances	457,665	(11,560)	1,699	210
Fund balance - beginning of year	<u>(296,075)</u>	<u>11,767</u>	<u>53,730</u>	<u>6,648</u>
Fund balance - end of year	<u>\$ 161,590</u>	<u>\$ 207</u>	<u>\$ 55,429</u>	<u>\$ 6,858</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

(Continued)

	Capital Project Fund	
	Howe Springs Fire District Fund	Total
Revenues:		
Taxes	\$ -	\$ 6,669,370
Licenses and permits	-	-
Fines and fees	-	2,456,225
Intergovernmental	-	1,667,308
Sales and other functional revenues	-	40,218
Miscellaneous	193	453,570
Total revenues	193	11,286,691
Expenditures:		
Current:		
General government	-	1,403,152
Public safety	-	3,342,161
Economic and physical development	-	986,191
Public works	-	-
Health	-	-
Welfare	-	-
Culture and recreation	-	4,732,851
Education	-	1,845,000
Capital outlay	-	712,395
Debt service:		
Principal retirements	-	2,826,805
Interest	-	1,134,820
Paying agent fee	-	12,617
Total expenditures	-	16,995,992
Revenues over (under) expenditures	193	(5,709,301)
Other financing sources (uses):		
Proceeds of bond issue	-	-
Proceeds of capital lease	-	-
Operating transfer in	-	6,027,879
Operating transfer out	-	(1,444,778)
Net change in fund balances	193	(1,126,200)
Fund balance - beginning of year	6,097	13,559,207
Fund balance - end of year	\$ 6,290	\$ 12,433,007

FIDUCIARY FUNDS

The County maintains thirteen Agency Funds. They are used to account for the collection and payment to the School Funds, Municipalities, and Special Assessment districts of property taxes, intergovernmental revenues, and interest on investments of amounts collected by the County for their behalf.

The following activities of the County are reported in this section:

School General Fund - To account for the receipt of property tax and federal and state aid revenue and other revenues and the disbursement of these revenues to the school districts.

School Debt Service Fund - To account for the receipt of property tax and other revenues and the payment of debt service for the school districts.

School Capital Project Fund - To account for the receipt of the proceeds from various bond issues and the disbursement of these receipts to the school districts.

Municipalities Fund - To account for the receipt of property tax and other revenues and the disbursement of these revenues to the municipalities.

Lynches Lake Camp Branch Fund - To account for the receipt of property tax revenue and the disbursement of this revenue to Lynches Lake Camp Branch.

Fire Board Fund - To account for the receipt of property tax and other revenue and the disbursement of this revenue to the fire districts.

Salem Watershed Fund - To account for the receipt of property tax and other revenue and the disbursement of this revenue to the watershed.

Regional Airport Authority Fund - To account for the receipt of property tax revenue and the disbursement of this revenue to the authority.

Commission on Alcohol and Drug Abuse Fund - To account for the receipt of state revenue and the disbursement of this revenue to the commission.

Williamsburg County Fund - To account for the receipt of property tax revenue and the disbursement of this revenue to Williamsburg County.

Magistrate Fund - To account for fines and fees collected but not yet remitted to the County or to the State of South Carolina.

Clerk of Court Fund - To account for fines and fees collected but not yet remitted to the County or to the State of South Carolina.

Sheriff Fund - To account for money received but not yet disposed of by the court system.

FLORENCE COUNTY, SOUTH CAROLINA

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2006

	Agency Funds					
	School General Fund	School Debt Service Fund	School Capital Project Fund	Municipalities Fund	Fire Board Fund	Lynches Lake/Camp Branch Fund
ASSETS						
Cash and investments	\$ 1,151,133	\$ 2,856,159	\$ 580,739	\$ 58,890	\$ 44,960	\$ 1,016
TOTAL ASSETS	\$ 1,151,133	\$ 2,856,159	\$ 580,739	\$ 58,890	\$ 44,960	\$ 1,016
LIABILITIES						
Due to						
Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Others	-	-	-	-	-	-
Other taxing units:						
School District One	782,535	1,812,603	568,058	-	-	-
School District Two	54,750	377,767	1,173	-	-	-
School District Three	190,332	243,379	9	-	-	-
School District Four	60,480	124,811	8,916	-	-	-
School District Five	63,036	297,599	2,583	-	-	-
Municipalities	-	-	-	58,890	-	-
Fire Boards	-	-	-	-	44,960	-
Lynches Lake/Camp Branch	-	-	-	-	-	1,016
Salem Watershed	-	-	-	-	-	-
Regional Airport Authority	-	-	-	-	-	-
Commission on Alcohol and Drug Abuse	-	-	-	-	-	-
Williamsburg County	-	-	-	-	-	-
TOTAL LIABILITIES	\$ 1,151,133	\$ 2,856,159	\$ 580,739	\$ 58,890	\$ 44,960	\$ 1,016

Salem Watershed Fund	Regional Airport Authority Fund	Commission on Alcohol and Drug Abuse Fund	Williams-burg County Fund	Magistrate Fund	Clerk of Court Fund	Sheriff Fund	Totals
\$ 9,689	\$ -	\$ -	\$1,012,108	\$ 359,599	\$1,023,442	\$ 275,471	\$ 7,373,206
<u>\$ 9,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,012,108</u>	<u>\$ 359,599</u>	<u>\$1,023,442</u>	<u>\$ 275,471</u>	<u>\$ 7,373,206</u>
\$ -	\$ 8,096	\$ -	\$ -	\$ 274,174	\$ 212,445	\$ -	\$ 494,715
-	-	-	-	85,425	810,997	275,471	1,171,893
-	-	-	-	-	-	-	3,163,196
-	-	-	-	-	-	-	433,691
-	-	-	-	-	-	-	433,720
-	-	-	-	-	-	-	194,208
-	-	-	-	-	-	-	363,218
-	-	-	-	-	-	-	58,890
-	-	-	-	-	-	-	44,960
-	-	-	-	-	-	-	1,016
9,689	-	-	-	-	-	-	9,689
-	(8,096)	-	-	-	-	-	(8,096)
-	-	-	-	-	-	-	-
-	-	-	1,012,108	-	-	-	1,012,108
<u>\$ 9,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,012,108</u>	<u>\$ 359,599</u>	<u>\$1,023,442</u>	<u>\$ 275,471</u>	<u>\$ 7,373,206</u>

FLORENCE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL FIDUCIARY FUNDS
Year Ended June 30, 2006

	Agency Funds					Lynches Lake/Camp Branch Fund
	School General Fund	School Debt Service Fund	School Capital Project Fund	Municipalities Fund	Fire Board Fund	
Cash due from Treasurer - beginning	\$ 1,057,499	\$ 2,620,483	\$ 1,463,777	\$ 73,758	\$ 40,131	\$ 999
Add receipts:						
Current property taxes	39,296,179	6,431,311	-	8,225,783	1,057,679	6,317
Inventory exemption	570,369	204,288	-	-	27,197	-
Vehicle taxes	9,254,465	1,384,007	-	1,346,608	235,851	-
Delinquent property taxes	2,096,023	405,444	-	453,259	65,755	602
Penalties	95,465	23,087	-	10,798	3,215	50
Fee transfer	(11,514)	(856)	-	-	-	-
State and federal aid	117,309,708	-	-	-	207,604	-
Interest on investments	91,692	123,111	32,522	-	3,359	125
Proceeds from bond issue	-	-	-	-	-	-
State homestead exemption	8,144,735	376,654	-	-	53,641	841
Fees in lieu of taxes	2,569,770	284,639	-	47,791	166,726	-
Increase in due to other funds	-	-	-	-	-	-
Cash received from others	-	-	-	-	-	-
Less local option sales tax credits	-	-	-	(6,167,951)	-	-
Total receipts	179,416,892	9,231,685	32,522	3,916,288	1,821,027	7,935
Less disbursements:						
Claims paid	179,163,474	-	915,560	3,916,612	1,812,189	7,918
Cash paid to others	-	-	-	-	-	-
Refunds	159,784	23,315	-	14,544	4,009	-
Bond principal paid	-	7,469,557	-	-	-	-
Interest payments	-	1,493,307	-	-	-	-
Paying agent fee	-	9,830	-	-	-	-
Total disbursements	179,323,258	8,996,009	915,560	3,931,156	1,816,198	7,918
Cash due from Treasurer - ending	\$ 1,151,133	\$ 2,856,159	\$ 580,739	\$ 58,890	\$ 44,960	\$ 1,016

Salem Watershed Fund	Regional Airport Authority Fund	Commission on Alcohol and Drug Abuse Fund	Williamsburg County Fund	Magistrate Fund	Clerk of Court Fund	Sheriff Fund	Totals
<u>\$ 8,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,658</u>	<u>\$ 310,419</u>	<u>\$1,058,212</u>	<u>\$ 268,795</u>	<u>\$ 7,036,120</u>
57,521	-	-	3,038,828	-	-	-	58,113,617
-	-	-	-	-	-	-	801,853
-	-	-	-	-	-	-	12,220,931
6,003	-	-	-	-	-	-	3,027,085
493	-	-	-	-	-	-	133,108
-	-	-	-	-	-	-	(12,370)
-	-	206,841	-	-	-	-	117,724,153
1,093	-	-	-	-	-	-	251,901
-	-	-	-	-	-	-	-
8,698	-	-	-	-	-	-	8,584,568
-	-	-	-	-	-	-	3,068,925
-	1	-	-	-	-	-	1
-	-	-	-	3,412,031	4,823,305	232,798	8,468,134
-	-	-	-	-	-	-	(6,167,951)
<u>73,808</u>	<u>1</u>	<u>206,841</u>	<u>3,038,828</u>	<u>3,412,031</u>	<u>4,823,305</u>	<u>232,798</u>	<u>206,213,961</u>
72,508	-	206,841	2,160,378	-	-	-	188,255,481
-	-	-	-	3,362,851	4,858,075	226,122	8,447,048
-	1	-	-	-	-	-	201,654
-	-	-	-	-	-	-	7,469,557
-	-	-	-	-	-	-	1,493,307
-	-	-	-	-	-	-	9,830
<u>72,508</u>	<u>1</u>	<u>206,841</u>	<u>2,160,378</u>	<u>3,362,851</u>	<u>4,858,075</u>	<u>226,122</u>	<u>205,876,875</u>
<u>\$ 9,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,012,108</u>	<u>\$ 359,599</u>	<u>\$1,023,442</u>	<u>\$ 275,471</u>	<u>\$ 7,373,206</u>



COMPONENT UNITS

Component units are entities which are legally separate from the County but are included in the County' reporting entity because of the significance of their operational or financial relationships with the County.

FLORENCE COUNTY, SOUTH CAROLINA

COMPONENT UNIT
STATEMENT OF NET ASSETS
June 30, 2006

Florence
City-County
Building
Commission

ASSETS

Current assets:	
Cash and investments	\$ 237,045
Intergovernmental receivable	19,343
Prepaid items	8,286
Total current assets	<u>264,674</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>2,155,495</u>
Total noncurrent assets	<u>2,155,495</u>
Total assets	<u>2,420,169</u>

LIABILITIES

Current liabilities:	
Accounts payable	14,246
Accrued payroll taxes and employee withholdings	2,894
Accrued salaries	13,363
Accumulated unpaid vacation pay	16,239
Current maturities of long-term debt	23,000
Total current liabilities	<u>69,742</u>
Total liabilities	<u>69,742</u>
Long-term debt, less current maturities	<u>241,023</u>

NET ASSETS

Invested in capital assets, net of related debt	1,891,472
Unrestricted	<u>217,932</u>
Total net assets	<u>\$ 2,109,404</u>

FLORENCE COUNTY, SOUTH CAROLINA

COMPONENT UNIT
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET ASSETS
 Year Ended June 30, 2006

Florence
 City-County
 Building
 Commission

Operating revenues:	
Intergovernmental	\$ 1,259,949
Other revenues	<u>157,642</u>
Total operating revenues	<u>1,417,591</u>
Operating expenses:	
Building operation and maintenance	1,199,864
Depreciation	<u>181,922</u>
Total operating expenses	<u>1,381,786</u>
Operating income (loss)	<u>35,805</u>
Nonoperating revenues (expenses):	
Interest income	4,923
Interest expense	<u>(28,501)</u>
Total nonoperating revenue (expenses)	<u>(23,578)</u>
Changes in net assets	12,227
Total net assets - beginning	<u>2,097,177</u>
Total net assets - ending	<u><u>\$ 2,109,404</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

COMPONENT UNIT
STATEMENT OF CASH FLOWS
Year Ended June 30, 2006

	Florence City-County Building Commission
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operations	\$ 1,446,261
Cash paid to suppliers and employees	<u>(1,203,762)</u>
Net cash provided by operating activities	<u>242,499</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(135,088)
Interest paid on long-term debt	(28,501)
Principal paid on capital debt	<u>(20,988)</u>
Net cash provided (used) by capital and related financing activities	<u>(184,577)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>4,923</u>
Net cash provided (used) by investing activities	<u>4,923</u>
Net increase (decrease) in cash and cash equivalents	62,845
Cash and cash equivalents, July 1	<u>174,200</u>
Cash and cash equivalents, June 30	<u>\$ 237,045</u>
Reconciliations of operating income to net cash provided (used) by operating activities:	
Operating income	<u>\$ 35,805</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation expense	181,922
(Increase) decrease in accounts receivable	28,670
Increase in prepaid items	11,971
Increase (decrease) in accounts payable	(17,649)
Increase (decrease) in accrued payroll taxes and employee withholding	(235)
Increase (decrease) in accrued salaries	1,146
Increase (decrease) in accumulated unpaid vacation pay	<u>869</u>
Total adjustments	<u>206,694</u>
Net cash provided by operating activities	<u>\$ 242,499</u>
Non-cash investing, capital, and financing activities:	
(NONE)	



FLORENCE COUNTY, SOUTH CAROLINA

FLORENCE-DARLINGTON TECHNICAL EDUCATION
 CENTER AND LIBRARY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 1,289,810	\$ 1,512,075	\$ 222,265
Penalties	-	3,156	3,156
Less refunds	-	(3,801)	(3,801)
Total taxes	<u>1,289,810</u>	<u>1,511,430</u>	<u>221,620</u>
Miscellaneous			
Interest on investments	<u>4,000</u>	<u>15,046</u>	<u>11,046</u>
Total miscellaneous	<u>4,000</u>	<u>15,046</u>	<u>11,046</u>
Total revenues	<u>1,293,810</u>	<u>1,526,476</u>	<u>232,666</u>
Expenditures:			
Education:			
Direct assistance -			
Florence-Darlington TEC	<u>1,293,810</u>	<u>1,845,000</u>	<u>(551,190)</u>
Total education	<u>1,293,810</u>	<u>1,845,000</u>	<u>(551,190)</u>
Total expenditures	<u>1,293,810</u>	<u>1,845,000</u>	<u>(551,190)</u>
Net change in fund balance	<u>\$ -</u>	<u>(318,524)</u>	<u>\$ (318,524)</u>
Fund balance - beginning of year		<u>258,659</u>	
Fund balance - end of year		<u>\$ (59,865)</u>	

FLORENCE COUNTY, SOUTH CAROLINA

CAPITAL IMPROVEMENT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State aid	\$ -	\$ -	\$ -
Total intergovernmental	-	-	-
Total revenues	-	-	-
Expenditures:			
General government:			
Other	450,000	460,087	(10,087)
Total general government	450,000	460,087	(10,087)
Total expenditures	450,000	460,087	(10,087)
Revenues over (under) expenditures	(450,000)	(460,087)	(10,087)
Other financing sources (uses):			
Operating transfer in	450,000	450,000	-
Operating transfer out	-	-	-
Total other financing sources (uses)	450,000	450,000	-
Net change in fund balance	\$ -	(10,087)	\$ (10,087)
Fund balance - beginning of year		1,386,187	
Fund balance - end of year		\$ 1,376,100	

FLORENCE COUNTY, SOUTH CAROLINA

LAW LIBRARY
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and fees:			
Law library surcharge	\$ 60,000	\$ 53,503	\$ (6,497)
Total fines and fees	<u>60,000</u>	<u>53,503</u>	<u>(6,497)</u>
Total revenues	<u>60,000</u>	<u>53,503</u>	<u>(6,497)</u>
Expenditures:			
General government	60,000	29,779	30,221
Other	<u>60,000</u>	<u>29,779</u>	<u>30,221</u>
Total general government	<u>60,000</u>	<u>29,779</u>	<u>30,221</u>
Total expenditures	<u>60,000</u>	<u>29,779</u>	<u>30,221</u>
Net change in fund balance	<u>\$ -</u>	23,724	<u>\$ 23,724</u>
Fund balance - beginning of year		<u>(7,613)</u>	
Fund balance - end of year		<u>\$ 16,111</u>	

FLORENCE COUNTY, SOUTH CAROLINA

VICTIM/WITNESS ASSISTANCE
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and fees	<u>\$ 385,000</u>	<u>\$ 328,680</u>	<u>\$ (56,320)</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous:			
Interest on investments	<u>-</u>	<u>20,074</u>	<u>20,074</u>
Total miscellaneous	<u>-</u>	<u>20,074</u>	<u>20,074</u>
Total revenues	<u>385,000</u>	<u>348,754</u>	<u>(36,246)</u>
Expenditures:			
General Government:			
Clerk of Court	34,781	32,442	2,339
Solicitor	239,993	238,922	1,071
Magistrates	37,400	36,536	864
Other	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total general government	<u>387,174</u>	<u>382,900</u>	<u>4,273</u>
Public Safety:			
Sheriff	<u>182,180</u>	<u>173,924</u>	<u>8,256</u>
Total public safety	<u>182,180</u>	<u>173,924</u>	<u>8,256</u>
Total expenditures	<u>569,354</u>	<u>556,825</u>	<u>12,529</u>
Revenues over (under) expenditures	(184,354)	(208,071)	(23,717)
Other financing sources (uses):			
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (184,354)</u>	(208,071)	<u>\$ (23,717)</u>
Fund balance - beginning of year		<u>786,957</u>	
Fund balance - end of year		<u>\$ 578,887</u>	

FLORENCE COUNTY, SOUTH CAROLINA

TREASURER DELINQUENT TAX
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and fees:			
Tax collector's costs and fees	\$ 508,000	\$ 498,569	\$ (9,431)
Total fines and fees	<u>508,000</u>	<u>498,569</u>	<u>(9,431)</u>
Miscellaneous:			
Other	-	-	-
Total miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>508,000</u>	<u>498,569</u>	<u>(9,431)</u>
Expenditures:			
General government:			
Other	460,725	354,753	105,972
Total general government	<u>460,725</u>	<u>354,753</u>	<u>105,972</u>
Total expenditures	<u>460,725</u>	<u>354,753</u>	<u>105,972</u>
Revenues over (under) expenditures	47,275	143,816	96,541
Other financing sources (uses):			
Operating transfer out	<u>(47,275)</u>	<u>(100,000)</u>	<u>(52,725)</u>
Net change in fund balance	<u>\$ -</u>	43,816	<u>\$ 43,816</u>
Fund balance - beginning of year		<u>103,358</u>	
Fund balance - end of year		<u>\$ 147,174</u>	

FLORENCE COUNTY, SOUTH CAROLINA

HOWE SPRINGS FIRE DISTRICT
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 396,476	\$ 423,559	\$ 27,083
Penalties	-	1,317	1,317
Less refunds	-	(1,441)	(1,441)
Total taxes	<u>396,476</u>	<u>423,436</u>	<u>26,960</u>
Intergovernmental:			
State aid	-	27,938	27,938
Total intergovernmental	<u>-</u>	<u>27,938</u>	<u>27,938</u>
Miscellaneous			
Interest on investments	<u>300</u>	<u>840</u>	<u>540</u>
Total miscellaneous	<u>300</u>	<u>840</u>	<u>540</u>
Total revenues	<u>396,776</u>	<u>452,214</u>	<u>55,438</u>
Expenditures:			
Public Safety:			
Direct assistance - Howe Springs Fire District	<u>396,776</u>	<u>450,720</u>	<u>(53,944)</u>
Total Public Safety	<u>396,776</u>	<u>450,720</u>	<u>(53,944)</u>
Total expenditures	<u>396,776</u>	<u>450,720</u>	<u>(53,944)</u>
Net change in fund balance	<u>\$ -</u>	1,494	<u>\$ 1,494</u>
Fund balance - beginning of year		<u>9,257</u>	
Fund balance - end of year		<u>\$ 10,751</u>	

FLORENCE COUNTY, SOUTH CAROLINA

SARDIS-TIMMONSVILLE FIRE DISTRICT
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 135,082	\$ 214,954	\$ 79,872
Penalties	-	561	561
Less refunds	-	(415)	(415)
Total taxes	<u>135,082</u>	<u>215,100</u>	<u>80,018</u>
Intergovernmental:			
State aid	-	5,783	5,783
Total intergovernmental	<u>-</u>	<u>5,783</u>	<u>5,783</u>
Miscellaneous			
Interest on investments	<u>300</u>	<u>1,810</u>	<u>1,510</u>
Total miscellaneous	<u>300</u>	<u>1,810</u>	<u>1,510</u>
Total revenues	<u>135,382</u>	<u>222,692</u>	<u>87,310</u>
Expenditures:			
Public Safety:			
Direct assistance - Sardis/ Timmons ville Fire District	118,382	182,578	(64,196)
Debt Service	<u>17,000</u>	<u>22,485</u>	<u>(5,485)</u>
Total Public Safety	<u>135,382</u>	<u>205,063</u>	<u>(69,681)</u>
Total expenditures	<u>135,382</u>	<u>205,063</u>	<u>(69,681)</u>
Net change in fund balance	<u>\$ -</u>	17,629	<u>\$ 17,629</u>
Fund balance - beginning of year		<u>43,281</u>	
Fund balance - end of year		<u>\$ 60,910</u>	

FLORENCE COUNTY, SOUTH CAROLINA

JOHNSONVILLE FIRE DISTRICT
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 238,264	\$ 243,449	\$ 5,185
Penalties	-	673	673
Less refunds	-	(965)	(965)
Total taxes	<u>238,264</u>	<u>243,157</u>	<u>4,893</u>
Intergovernmental:			
State aid	-	4,753	4,753
Total intergovernmental	<u>-</u>	<u>4,753</u>	<u>4,753</u>
Miscellaneous			
Other	-	36,594	36,594
Interest on investments	3,000	1,590	(1,410)
Total miscellaneous	<u>3,000</u>	<u>38,184</u>	<u>35,184</u>
Total revenues	<u>241,264</u>	<u>286,094</u>	<u>44,830</u>
Expenditures:			
Public Safety:			
Direct assistance - Johnsonville			
Fire District	257,670	284,664	(26,994)
Total Public Safety	<u>257,670</u>	<u>284,664</u>	<u>(26,994)</u>
Total expenditures	<u>257,670</u>	<u>284,664</u>	<u>(26,994)</u>
Net change in fund balance	<u>\$ (16,406)</u>	1,430	<u>\$ 17,836</u>
Fund balance - beginning of year		<u>(1,375)</u>	
Fund balance - end of year		<u>\$ 55</u>	

FLORENCE COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT PARTNERSHIP
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and fees:			
Local contributions	<u>\$ 505,000</u>	<u>\$ 391,942</u>	<u>\$ (113,058)</u>
Total fines and fees	<u>505,000</u>	<u>391,942</u>	<u>(113,058)</u>
Miscellaneous			
Interest on investments	<u>-</u>	<u>19,729</u>	<u>19,729</u>
Total miscellaneous	<u>-</u>	<u>19,729</u>	<u>19,729</u>
Total revenues	<u>505,000</u>	<u>411,671</u>	<u>(93,329)</u>
Expenditures:			
Economic and physical development:			
Economic development promotion	<u>920,000</u>	<u>861,456</u>	<u>58,544</u>
Total economic and physical development	<u>920,000</u>	<u>861,456</u>	<u>58,544</u>
Total expenditures	<u>920,000</u>	<u>861,456</u>	<u>58,544</u>
Revenues over (under) expenditures	(415,000)	(449,785)	(34,785)
Other financing sources (uses):			
Operating transfer	<u>415,000</u>	<u>416,000</u>	<u>1,000</u>
Total other financing sources (uses)	<u>415,000</u>	<u>416,000</u>	<u>1,000</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(33,785)</u>	<u><u>\$ (33,785)</u></u>
Fund balance - beginning of year		<u>845,432</u>	
Fund balance - end of year		<u><u>\$ 811,647</u></u>	

FLORENCE COUNTY, SOUTH CAROLINA

EMERGENCY MANAGEMENT
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 1,257,051	\$ 1,082,867	\$ (174,184)
Penalties	11,000	3,814	(7,186)
Less refunds	(7,000)	(5,440)	1,560
Sales tax	750,000	885,082	135,082
Total taxes	<u>2,011,051</u>	<u>1,966,323</u>	<u>(44,728)</u>
Revenue from service charges	<u>20,000</u>	<u>33,846</u>	<u>13,846</u>
Miscellaneous:			
Interest on investments	25,000	-	(25,000)
Other	-	-	-
Total miscellaneous	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total revenues	<u>2,056,051</u>	<u>2,000,169</u>	<u>(55,881)</u>
Expenditures:			
Public Safety:			
County Radio System	270,259	310,434	(40,175)
Emergency Preparedness	245,979	242,931	3,048
Central Dispatch	1,707,813	1,696,910	10,903
Total public safety	<u>2,224,051</u>	<u>2,250,275</u>	<u>(26,224)</u>
Total expenditures	<u>2,224,051</u>	<u>2,250,275</u>	<u>(26,224)</u>
Revenues over (under) expenditures	(168,000)	(250,106)	(82,105)
Other financing sources (uses):			
Transfer in	57,000	58,140	1,140
Total other financing sources (uses)	<u>57,000</u>	<u>58,140</u>	<u>1,140</u>
Net change in fund balance	<u>\$ (111,000)</u>	(191,966)	<u>\$ (80,965)</u>
Fund balance - beginning of year		<u>(83,790)</u>	
Fund balance - end of year		<u>\$ (275,756)</u>	

FLORENCE COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS FEE
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and fees	<u>\$ 950,000</u>	<u>\$ 1,183,531</u>	<u>\$ 233,531</u>
Total fines and fees	<u>950,000</u>	<u>1,183,531</u>	<u>233,531</u>
Miscellaneous:			
Interest on investments	<u>-</u>	<u>78,029</u>	<u>78,029</u>
Total miscellaneous	<u>-</u>	<u>78,029</u>	<u>78,029</u>
Total revenues	<u>950,000</u>	<u>1,261,560</u>	<u>311,560</u>
Expenditures:			
General Government:			
Other	<u>100,000</u>	<u>33,510</u>	<u>66,490</u>
Total general government	<u>100,000</u>	<u>33,510</u>	<u>66,490</u>
Total expenditures	<u>100,000</u>	<u>33,510</u>	<u>66,490</u>
Revenues over (under) expenditures	850,000	1,228,049	378,049
Other financing sources (uses):			
Operating transfer out	<u>(850,000)</u>	<u>(1,143,013)</u>	<u>(293,013)</u>
Total other financing sources (uses)	<u>(850,000)</u>	<u>(1,143,013)</u>	<u>(293,013)</u>
Net change in fund balance	<u><u>\$ -</u></u>	85,037	<u><u>\$ 85,037</u></u>
Fund balance - beginning of year		<u>2,040,384</u>	
Fund balance - end of year		<u><u>\$ 2,125,421</u></u>	

FLORENCE COUNTY, SOUTH CAROLINA

COUNTY LIBRARY
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 1,300,000	\$ 775,386	\$ (524,614)
Penalties	-	2,567	2,567
Less refunds	-	(3,777)	(3,777)
Sales taxes	-	596,049	596,049
Total taxes	<u>1,300,000</u>	<u>1,370,225</u>	<u>70,225</u>
Miscellaneous:			
Interest on investments	-	52,880	52,880
Total miscellaneous	<u>-</u>	<u>52,880</u>	<u>52,880</u>
Total revenues	<u>1,300,000</u>	<u>1,423,105</u>	<u>123,105</u>
Expenditures:			
Culture & recreation:			
Library	<u>3,207,193</u>	<u>3,380,903</u>	<u>(173,710)</u>
Total culture & recreation	<u>3,207,193</u>	<u>3,380,903</u>	<u>(173,710)</u>
Total expenditures	<u>3,207,193</u>	<u>3,380,903</u>	<u>(173,710)</u>
Revenues over (under) expenditures	(1,907,193)	(1,957,798)	(50,605)
Other financing sources (uses):			
Operating transfer in	1,330,000	1,341,000	11,000
Operating transfer out	-	-	-
Total other financing sources (uses)	<u>1,330,000</u>	<u>1,341,000</u>	<u>11,000</u>
Net change in fund balance	<u>\$ (577,193)</u>	(616,798)	<u>\$ (39,605)</u>
Fund balance - beginning of year		<u>1,592,777</u>	
Fund balance - end of year		<u>\$ 975,979</u>	

FLORENCE COUNTY, SOUTH CAROLINA

SENIOR CITIZENS CENTER
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	\$ 175,000	\$ 108,289	\$ (66,711)
Penalties	-	389	389
Less refunds	-	(542)	(542)
Sales tax	-	90,241	90,241
Total taxes	<u>175,000</u>	<u>198,378</u>	<u>23,378</u>
Revenue from service charges	<u>-</u>	<u>6,372</u>	<u>6,372</u>
Miscellaneous:			
Interest on investments	-	12,578	12,578
Other	-	-	-
Total miscellaneous	<u>-</u>	<u>12,578</u>	<u>12,578</u>
Total revenues	<u>175,000</u>	<u>217,328</u>	<u>42,328</u>
Expenditures:			
General government:			
Senior Citizens Center	<u>175,000</u>	<u>138,780</u>	<u>36,220</u>
Total general government	<u>175,000</u>	<u>138,780</u>	<u>36,220</u>
Total expenditures	<u>175,000</u>	<u>138,780</u>	<u>36,220</u>
Net change in fund balance	<u>\$ -</u>	<u>78,548</u>	<u>\$ 78,548</u>
Fund balance - beginning of year		<u>365,056</u>	
Fund balance - end of year		<u><u>\$ 443,604</u></u>	

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

**FLORENCE COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE**

June 30, 2006

Governmental funds capital assets:		\$ 8,071,346
Land		46,600,429
Buildings and additions		4,405,050
Improvements other than buildings		8,269,212
Autos and trucks		245,015
Furniture and fixtures		19,678,378
Machinery and equipment		48,932,903
Infrastructure		<u>48,932,903</u>
Total governmental funds capital assets		<u><u>\$ 136,202,333</u></u>
Investments in governmental funds capital assets by source:		
General fund	\$ 77,903,234	
Special revenue funds	32,209,600	
Capital project funds	26,089,499	
Total governmental funds capital assets		<u><u>\$ 136,202,333</u></u>

FLORENCE COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2006

Function and Activity	Land	Buildings and Additions	Improvements Other Than Buildings	Autos and Trucks	Furniture and Fixtures	Machinery and Equipment	Infrastructure	Total
General government:								
Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,116	-	\$ 8,116
Administrator	3,193,498	41,122	-	17,006	-	7,943	-	3,259,569
Finance	-	53,761	-	-	-	62,548	-	116,309
Treasurer	-	-	5,340	41,695	-	20,549	-	67,584
Data processing	-	-	-	-	-	999,756	-	999,756
Auditor	-	-	-	21,331	-	20,633	-	41,964
Tax assessor	-	-	-	136,659	5,720	51,052	-	193,431
Planning	-	-	-	29,160	-	15,713	-	44,873
Central services	-	-	-	-	-	149,625	-	149,625
Clerk of Court	-	5,000	-	-	-	250,899	-	255,899
Court of Common Pleas	-	12,305	-	-	-	-	-	12,305
Solicitor	-	-	-	17,433	-	20,368	-	37,801
Human resources management	-	-	-	-	6,737	12,939	-	19,676
Family court	-	-	-	-	94,989	51,837	-	184,100
Judge of Probate	-	37,274	-	-	-	40,261	-	40,261
Public defender	-	-	-	-	-	11,479	-	24,537
Engineering	-	-	-	13,058	-	-	-	36,811
Magistrates' offices	-	186,726	-	36,811	-	-	-	560,870
Building inspections	-	-	-	374,144	-	-	-	368,658
Public services buildings	304,611	3,633,381	60,260	164,334	-	204,324	-	4,064,772
Other	518,989	1,281,537	534,004	58,665	-	3,822,742	-	6,157,272
Total general government	4,017,098	5,251,106	599,604	910,296	107,446	5,758,639	-	16,644,189
Public Safety:								
Sheriff	13,258	35,477	-	3,657,425	-	621,633	-	4,327,793
County Jail	382,710	17,395,565	-	220,528	-	1,048,447	-	19,047,250
Radio System and Central Dispatch	9,240	8,942	-	224,649	-	6,298,640	-	6,541,471
Total public safety	405,208	17,439,984	-	4,102,602	-	7,968,720	-	29,916,514
Economic Development	921,034	1,130,179	1,810,163	28,295	13,551	5,547	-	3,908,769

FLORENCE COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2006

Function and Activity	Land	Buildings and Additions	Improvements Other Than Buildings	Autos and Trucks	Furniture and Fixtures	Machinery and Equipment	Infrastructure	Total
Public Works:								
Central Maintenance	-	19,798	10,400	43,728	-	27,775	-	101,701
Public Works operating	528,795	819,826	-	721,750	-	4,845,334	48,932,903	55,848,608
Total public works	<u>528,795</u>	<u>839,624</u>	<u>10,400</u>	<u>765,478</u>	<u>-</u>	<u>4,873,109</u>	<u>48,932,903</u>	<u>55,950,309</u>
Health:								
Health department	115,000	2,199,655	-	-	-	-	-	2,314,655
Environmental services	-	63,259	-	229,750	-	33,611	-	326,620
Emergency medical services	16,650	890,094	-	1,038,856	-	237,065	-	2,182,665
Rescue - ambulance squads	-	15,500	32,221	709,090	-	216,343	-	973,154
Coroner	-	-	-	63,895	-	-	-	63,895
Total health	<u>131,650</u>	<u>3,168,508</u>	<u>32,221</u>	<u>2,041,591</u>	<u>-</u>	<u>487,019</u>	<u>-</u>	<u>5,860,989</u>
Culture and Recreation:								
Recreation	985,490	1,354,912	1,796,784	252,831	-	134,590	-	4,524,607
Freedom Florence	-	46,373	35,616	-	-	14,087	-	96,086
Lynches River County Park	31,370	92,114	-	65,052	-	33,282	-	221,818
County Library	1,050,701	17,277,629	120,262	103,067	124,018	403,375	-	19,079,052
Total culture and recreation	<u>2,067,561</u>	<u>18,771,028</u>	<u>1,952,662</u>	<u>420,950</u>	<u>124,018</u>	<u>585,344</u>	<u>-</u>	<u>23,921,563</u>
Total governmental funds capital assets	<u>\$ 8,071,346</u>	<u>\$ 46,600,429</u>	<u>\$ 4,405,050</u>	<u>\$ 8,269,212</u>	<u>\$ 245,015</u>	<u>\$ 19,678,378</u>	<u>\$ 48,932,903</u>	<u>\$ 136,202,333</u>

FLORENCE 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, 2006

Function and Activity	Governmental Funds Capital Assets July 1, 2005	Additions	Deductions	Governmental Funds Capital Assets June 30, 2006
General government:				
Council	\$ 8,116	\$ -	\$ -	\$ 8,116
Administrator	3,242,563	17,006	-	3,259,569
Finance	116,309	-	-	116,309
Treasurer	61,698	20,299	14,413	67,584
Data processing	907,880	91,876	-	999,756
Auditor	62,319	-	20,355	41,964
Tax assessor	141,267	74,241	22,077	193,431
Planning	44,873	-	-	44,873
Central services	133,202	16,423	-	149,625
Clerk of Court	269,516	-	13,617	255,899
Court of Common Pleas	12,305	-	-	12,305
Solicitor	32,236	5,565	-	37,801
Human resources management	19,676	-	-	19,676
Family court	178,418	5,682	-	184,100
Judge of Probate	40,261	-	-	40,261
Public defender	39,101	-	14,564	24,537
Engineering	36,811	-	-	36,811
Magistrates' offices	517,692	63,093	19,915	560,870
Building inspections	315,172	67,814	14,328	368,658
Public services buildings	4,045,632	19,140	-	4,064,772
Other	6,000,805	170,768	14,301	6,157,272
Total general government	<u>16,225,852</u>	<u>551,907</u>	<u>133,570</u>	<u>16,644,189</u>
Public Safety:				
Sheriff	3,854,607	597,151	123,965	4,327,793
County Jail	19,047,250	-	-	19,047,250
Radio System and Central Dispatch	6,432,532	123,240	14,301	6,541,471
Total public safety	<u>29,334,389</u>	<u>720,391</u>	<u>138,266</u>	<u>29,916,514</u>
Economic Development	<u>3,908,769</u>	<u>-</u>	<u>-</u>	<u>3,908,769</u>
Public Works:				
Central Maintenance	113,631	-	11,930	101,701
Public Works operating	54,229,773	2,076,704	457,869	55,848,608
Total public works	<u>54,343,404</u>	<u>2,076,704</u>	<u>469,799</u>	<u>55,950,309</u>

**FLORENCE 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, 2006

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets June 30, 2006</u>
Health:				
Health department	2,314,655	-	-	2,314,655
Environmental services	328,060	28,750	30,190	326,620
Emergency medical services	2,148,964	33,701	-	2,182,665
Rescue - ambulance squads	898,278	74,876	-	973,154
Coroner	42,864	21,031	-	63,895
Total health	<u>5,732,821</u>	<u>158,358</u>	<u>30,190</u>	<u>5,860,989</u>
Culture and Recreation:				
Recreation	4,090,742	451,873	18,008	4,524,607
Freedom Florence	82,835	13,251	-	96,086
Lynches River County Park	135,538	86,280	-	221,818
County Library	19,003,936	75,116	-	19,079,052
Total culture and recreation	<u>23,313,051</u>	<u>626,520</u>	<u>18,008</u>	<u>23,921,563</u>
Total governmental funds capital assets	<u>\$ 132,858,286</u>	<u>\$ 4,133,880</u>	<u>\$ 789,833</u>	<u>\$ 136,202,333</u>

**LONG-TERM DEBT OBLIGATIONS
OF
GOVERNMENTAL FUNDS**

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF LONG-TERM DEBT
Year Ended June 30, 2006

Description	Issue Interest Rate %	Date Issued	Amount Outstanding 6/30/2005
Florence County General Bonds	5.20%	2000	\$ 210,000
	7.00%	2000	220,000
	7.00%	2000	<u>230,000</u>
Subtotal			<u>660,000</u>
Johnsonville Rural Fire District Bonds	5.30%	2000	25,000
	5.30%	2000	30,000
	5.30%	2000	30,000
	5.30%	2000	35,000
	5.30%	2000	40,000
	5.30%	2000	40,000
	5.30%	2000	45,000
	5.30%	2000	50,000
	5.30%	2000	<u>55,000</u>
Subtotal			<u>400,000</u>
Hannah-Salem-Friendfield Fire District Bonds	4.10%	2001	46,000
	4.10%	2001	49,000
	4.10%	2001	50,000
	4.10%	2001	54,000
	4.10%	2001	57,000
	4.10%	2001	60,000
	4.10%	2001	<u>63,000</u>
Subtotal			<u>379,000</u>

(Continued)

Charges Issued	Retired During Year	Amount Outstanding 6/30/2006	Next Fiscal Year Requirements	
			Principal	Interest
\$ -	\$ 210,000	-	-	-
-	-	\$ 220,000	\$ 220,000	\$ 30,500
-	-	230,000	-	-
-	210,000	450,000	220,000	30,500
-	25,000	-	-	-
-	-	30,000	30,000	19,875
-	-	30,000	-	-
-	-	35,000	-	-
-	-	40,000	-	-
-	-	40,000	-	-
-	-	45,000	-	-
-	-	50,000	-	-
-	-	50,000	-	-
-	-	55,000	-	-
-	25,000	375,000	30,000	19,875
-	46,000	-	-	-
-	-	49,000	49,000	13,653
-	-	50,000	-	-
-	-	54,000	-	-
-	-	57,000	-	-
-	-	60,000	-	-
-	-	63,000	-	-
-	46,000	333,000	49,000	13,653

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF LONG-TERM DEBT
Year Ended June 30, 2006

Description	Issue Interest Rate %	Date Issued	Amount Outstanding 6/30/2005
(Continued)			
Florence County General Bonds	3.00%	2002	185,000
	3.50%	2002	195,000
	3.75%	2002	200,000
	4.00%	2002	210,000
	4.00%	2002	220,000
	4.00%	2002	225,000
	4.00%	2002	235,000
	4.10%	2002	250,000
	4.20%	2002	260,000
	4.30%	2002	275,000
	4.40%	2002	285,000
	4.45%	2002	300,000
	4.55%	2002	315,000
	4.65%	2002	330,000
	4.70%	2002	350,000
	4.75%	2002	370,000
	4.75%	2002	385,000
	4.75%	2002	410,000
			5,000,000
Subtotal			
Hannah-Salem-Friendfield Fire District Bonds	4.71%	2004	9,000
	4.71%	2004	10,000
	4.71%	2004	12,000
	4.71%	2004	13,000
	4.71%	2004	14,000
	4.71%	2004	14,000
	4.71%	2004	15,000
	4.71%	2004	55,000
	4.71%	2004	60,000
			202,000
Subtotal			

(Continued)

Charges Issued	Retired During Year	Amount Outstanding 6/30/2006	Next Fiscal Year Requirements	
			Principal	Interest
(Continued)				
-	185,000	-	-	-
-	-	195,000	195,000	210,275
-	-	200,000	-	-
-	-	210,000	-	-
-	-	220,000	-	-
-	-	225,000	-	-
-	-	235,000	-	-
-	-	250,000	-	-
-	-	260,000	-	-
-	-	275,000	-	-
-	-	285,000	-	-
-	-	300,000	-	-
-	-	315,000	-	-
-	-	330,000	-	-
-	-	350,000	-	-
-	-	370,000	-	-
-	-	385,000	-	-
-	-	410,000	-	-
<u>-</u>	<u>185,000</u>	<u>4,815,000</u>	<u>195,000</u>	<u>210,275</u>
-	9,000	-	-	-
-	-	10,000	10,000	9,090
-	-	12,000	-	-
-	-	13,000	-	-
-	-	14,000	-	-
-	-	14,000	-	-
-	-	15,000	-	-
-	-	55,000	-	-
-	-	60,000	-	-
<u>-</u>	<u>9,000</u>	<u>193,000</u>	<u>10,000</u>	<u>9,090</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF LONG-TERM DEBT
Year Ended June 30, 2006

Description	Issue Interest Rate %	Date Issued	Amount Outstanding 6/30/2005
(Continued)			
Howe Springs Fire District Bonds	4.20%	2004	81,688
	4.20%	2004	85,119
	4.20%	2004	88,694
	4.20%	2004	92,419
	4.20%	2004	96,301
	4.20%	2004	100,345
	4.20%	2004	104,560
	4.20%	2004	108,951
	4.20%	2004	<u>113,528</u>
Subtotal			<u>871,605</u>
Florence County Refunding Bonds	3.13%	2005	210,973
	3.13%	2005	217,577
	3.13%	2005	224,387
	3.13%	2005	231,410
	3.13%	2005	<u>238,653</u>
Subtotal			<u>1,123,000</u>
Florence County Advance Refunding Bonds	3.00%	2005	25,000
	3.00%	2005	35,000
	3.00%	2005	35,000
	3.25%	2005	275,000
	3.50%	2005	285,000
	3.50%	2005	295,000
	3.50%	2005	305,000
	3.63%	2005	320,000
	3.63%	2005	335,000
	3.63%	2005	345,000
	3.63%	2005	360,000
	3.75%	2005	375,000
	3.80%	2005	390,000
	3.90%	2005	400,000
4.00%	2005	<u>420,000</u>	
Subtotal			<u>4,200,000</u>
Total general bonded indebtedness			12,835,605

(Continued)

Charges Issued	Retired During Year	Amount Outstanding 6/30/2006	Next Fiscal Year Requirements	
			Principal	Interest
(Continued)				
-	81,688	-	-	-
-	-	85,119	85,119	33,176
-	-	88,694	-	-
-	-	92,419	-	-
-	-	96,301	-	-
-	-	100,345	-	-
-	-	104,560	-	-
-	-	108,951	-	-
-	-	113,528	-	-
<u>-</u>	<u>81,688</u>	<u>789,917</u>	<u>85,119</u>	<u>33,176</u>
-	210,973	-	-	-
-	-	217,577	217,577	28,546
-	-	224,387	-	-
-	-	231,410	-	-
-	-	238,653	-	-
<u>-</u>	<u>210,973</u>	<u>912,027</u>	<u>217,577</u>	<u>28,546</u>
-	25,000	-	-	-
-	-	35,000	35,000	152,595
-	-	35,000	-	-
-	-	275,000	-	-
-	-	285,000	-	-
-	-	295,000	-	-
-	-	305,000	-	-
-	-	320,000	-	-
-	-	335,000	-	-
-	-	345,000	-	-
-	-	360,000	-	-
-	-	375,000	-	-
-	-	390,000	-	-
-	-	400,000	-	-
-	-	420,000	-	-
<u>-</u>	<u>25,000</u>	<u>4,175,000</u>	<u>35,000</u>	<u>152,595</u>
-	792,661	12,042,944	841,696	497,710

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF LONG-TERM DEBT
Year Ended June 30, 2006

Description	Issue Interest Rate %	Date Issued	Amount Outstanding 6/30/2005
(Continued)			
Certificates of participation	Variable	2003	24,985,000
Honda land commitment	N/A	2002	150,000
Capital leases	5.66%	2000	1,045,892
	N/A	2001	15,384
	2.71%	2003	27,031
	2.08%	2004	260,466
	4.55%	2004	79,917
	4.59%	2004	17,243
	2.68%	2005	911,309
	3.41%	2006	-
Vacation pay earned but not used			<u>1,354,264</u>
Total			<u><u>\$ 41,682,111</u></u>

Charges Issued	Retired During Year	Amount Outstanding 6/30/2006	Next Fiscal Year Requirements	
			Principal	Interest
(Continued)				
-	2,385,000	22,600,000	2,475,000	N/A
-	150,000	-	-	N/A
-	151,231	894,661	159,791	50,638
-	15,384	-	-	N/A
-	27,031	-	-	-
-	207,831	52,635	52,635	274
-	18,563	61,354	19,477	3,021
-	6,018	11,225	6,301	384
-	659,046	252,263	252,263	2,996
749,110	181,793	567,317	246,803	16,197
<u>1,207,787</u>	<u>1,131,483</u>	<u>1,430,568</u>	<u>-</u>	<u>-</u>
<u>\$ 1,956,897</u>	<u>\$ 5,726,041</u>	<u>\$ 37,912,967</u>	<u>\$ 4,053,966</u>	<u>\$ 571,220</u>



ADDITIONAL ACCOMPANYING INFORMATION

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET
June 30, 2006

ASSETS		
Cash and investments		\$ 10,238,064
Receivables:		
Property taxes (net)		46,902
Other governmental units and agencies		5,067,616
Other (net)		2,750,795
Inventory		176,262
Due from other funds		<u>2,132,257</u>
	Total assets	<u>\$ 20,411,896</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable		\$ 1,006,908
Payroll withholdings and accruals		567,099
Other payables		6,830,502
Deferred revenues		<u>2,413,907</u>
	Total liabilities	<u>10,818,416</u>
Fund equity:		
Fund balance:		
Reserved for encumbrances		173,905
Reserved for inventory		155,353
Unreserved:		
Designated for capital improvements		1,142,999
Undesignated		<u>8,121,223</u>
	Total fund equity/fund balance	<u>9,593,480</u>
	Total liabilities and fund equity	<u>\$ 20,411,896</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 12,632,850	\$ 12,039,217	\$ (593,633)
Licenses and permits	5,092,250	4,766,632	(325,618)
Fines and fees	3,575,637	3,635,353	59,716
Intergovernmental	7,310,459	7,536,294	225,835
Sales and other functional revenues	2,626,600	2,812,062	185,462
Miscellaneous	712,093	1,392,909	680,816
Total revenues	<u>31,949,889</u>	<u>32,182,467</u>	<u>232,578</u>
Expenditures:			
Current:			
General government	15,903,791	15,700,650	203,141
Public safety	15,000	12,354	2,646
Public works	3,533,172	3,942,128	(408,956)
Health	4,896,808	4,526,642	370,166
Welfare	531,978	517,884	14,094
Culture and recreation	2,761,071	2,693,075	67,996
Education	4,950	4,950	-
Total expenditures	<u>27,646,770</u>	<u>27,397,683</u>	<u>249,087</u>
Revenues over (under) expenditures	4,303,119	4,784,784	481,665

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
Other financing sources (uses):			
Proceeds of capital lease	1,046,200	749,110	(297,090)
Operating transfer in	1,836,000	2,301,511	465,511
Operating transfer out	<u>(8,144,147)</u>	<u>(8,300,344)</u>	<u>(156,197)</u>
Net change in fund balance	<u>\$ (958,828)</u>	(464,939)	<u>\$ 493,889</u>
Fund balance - beginning of year		<u>9,743,828</u>	
Fund balance - end of year		<u>\$ 9,278,889</u>	
Reconciliation of fund balance:		\$ 9,593,480	
GAAP basis			
Increase (decrease):			
Due to expenditures:			
Encumbrances		(173,905)	
Inventories		(155,353)	
Cash - Juror fee accounts		<u>14,667</u>	
Budgetary basis		<u>\$ 9,278,889</u>	

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
General government:			
County Council	\$ 209,872	\$ 189,632	\$ 20,240
Attorney	149,549	141,406	8,143
Administrator	524,575	491,032	33,543
Finance	592,715	587,316	5,399
Treasurer	779,073	742,489	36,584
Data processing	744,054	723,634	20,420
Auditor	416,523	415,632	891
Tax assessor	1,141,124	1,179,143	(38,019)
Procurement and facilities	208,198	210,384	(2,186)
Clerk of Court	891,776	883,083	8,693
Court of Common Pleas	157,637	164,872	(7,235)
Solicitor	927,417	832,881	94,536
Human resources management	241,082	235,699	5,383
Family court	618,223	639,652	(21,429)
Judge of Probate	477,305	451,393	25,912
Public defender	560,247	548,392	11,855
Master in Equity	44,949	47,524	(2,575)
Magistrates' offices	1,934,258	1,958,131	(23,873)
Building inspections	1,647,423	1,583,133	64,290
Voter registration and election commission	340,385	457,725	(117,340)
Veterans' affairs	128,606	129,409	(803)
Public services buildings	809,009	836,393	(27,384)
Direct assistance	1,156,827	1,204,933	(48,106)
Other	1,202,964	1,046,762	156,202
Total general government	<u>15,903,791</u>	<u>15,700,650</u>	<u>203,141</u>
Public safety:			
Direct assistance	15,000	12,354	2,646
Total public safety	<u>15,000</u>	<u>12,354</u>	<u>2,646</u>
Public works:			
Central maintenance	865,385	967,960	(102,575)
Public works operating	2,667,787	2,974,168	(306,381)
Total public works	<u>3,533,172</u>	<u>3,942,128</u>	<u>(408,956)</u>
Health:			
Health department	86,000	87,009	(1,009)
Environmental services	554,614	503,064	51,550
Emergency medical services	3,755,715	3,460,148	295,567
Rescue - ambulance squads	236,520	199,439	37,081
Coroner	248,059	261,082	(13,023)
Direct assistance	15,900	15,900	-
Total health	<u>4,896,808</u>	<u>4,526,642</u>	<u>370,166</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
Welfare:			
Indigent care	463,978	463,846	132
Social services	52,000	37,238	14,762
Direct assistance	16,000	16,800	(800)
Total welfare	<u>531,978</u>	<u>517,884</u>	<u>14,094</u>
Culture and recreation:			
Recreation	2,008,192	1,960,702	47,490
Freedom Florence	365,827	479,025	(113,198)
Lynches River County Park Museum	377,052	243,348	133,704
	10,000	10,000	-
Total culture and recreation	<u>2,761,071</u>	<u>2,693,075</u>	<u>67,996</u>
Education:			
Direct assistance	4,950	4,950	-
Total education	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Total expenditures	<u>\$ 27,646,770</u>	<u>\$ 27,397,683</u>	<u>\$ 249,087</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF REVENUES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Taxes:			
Property tax	\$ 7,100,151	\$ 6,021,633	\$(1,078,518)
Sales tax	4,432,699	4,913,881	481,182
Fees in lieu of tax	1,100,000	1,103,703	3,703
Total taxes	<u>12,632,850</u>	<u>12,039,217</u>	<u>(593,633)</u>
Licenses and permits:			
Road system maintenance fees	3,030,000	3,128,996	98,996
Tax assessor fees	17,450	14,673	(2,777)
Cable TV fees	500,000	554,907	54,907
Scrap tire fees	4,000	4,600	600
Building permit fees	1,349,800	1,013,640	(336,160)
Landfill permits	2,000	2,121	121
Planning commission fees	189,000	47,695	(141,305)
Total licenses and permits	<u>5,092,250</u>	<u>4,766,632</u>	<u>(325,618)</u>
Fines and fees:			
Library fines	32,776	36,741	3,965
Magistrates' fines	1,696,437	1,709,372	12,935
Clerk of Court fines	87,616	81,503	(6,113)
Clerk of Court fees	972,222	1,078,651	106,429
Master in Equity fees	126,102	61,503	(64,599)
Judge of Probate fees	270,000	250,190	(19,810)
Family court fees	390,484	417,393	26,909
Total fines and fees	<u>3,575,637</u>	<u>3,635,353</u>	<u>59,716</u>
Intergovernmental:			
Library state and federal	224,522	251,524	27,002
State revenue - local government fund	5,725,000	5,924,859	199,859
Election commission	15,000	10,976	(4,024)
Veterans' affairs	11,300	8,575	(2,725)
Public defender	117,000	197,740	80,740
Solicitor	170,000	159,700	(10,300)
Municipalities	53,207	54,013	806
Merchant inventory exemption	356,006	356,006	0
Accommodations tax	46,000	45,306	(694)
Others	592,424	527,594	(64,830)
Total intergovernmental	<u>7,310,459</u>	<u>7,536,294</u>	<u>225,835</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF REVENUES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
(Continued)			
Sales and other functional revenues:			
Rent	224,600	213,009	(11,591)
Hospital reimbursements/MIAF administration	41,000	45,478	4,478
Emergency medical services	1,900,000	2,079,171	179,171
Recreation	455,000	471,064	16,064
Other	6,000	3,340	(2,660)
Total sales and other functional revenues	<u>2,626,600</u>	<u>2,812,062</u>	<u>185,462</u>
Miscellaneous:			
Interest on investments	237,400	575,454	338,054
Tax sale escrow accounts held five years	5,000	71,084	66,084
Sales of abandoned property	467,693	670,623	202,930
Others	2,000	75,748	73,748
Total miscellaneous	<u>712,093</u>	<u>1,392,909</u>	<u>680,816</u>
Total revenues	<u>\$ 31,949,889</u>	<u>\$ 32,182,467</u>	<u>\$ 232,578</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
General government:			
County Council:			
Personnel services	\$ 161,779	\$ 158,358	\$ 3,421
Supplies	5,786	4,812	974
Other service and charges	40,707	24,913	15,794
Capital outlay	1,600	1,549	51
Total County Council	<u>209,872</u>	<u>189,632</u>	<u>20,240</u>
Attorney:			
Personnel services	121,399	117,356	4,043
Supplies	1,500	385	1,115
Other service and charges	25,403	22,418	2,985
Capital outlay	1,247	1,247	-
Total attorney	<u>149,549</u>	<u>141,406</u>	<u>8,143</u>
Administrator:			
Personnel services	452,755	425,253	27,502
Supplies	4,867	4,790	77
Other service and charges	32,541	27,648	4,893
Capital outlay	34,412	33,341	1,071
Total administrator	<u>524,575</u>	<u>491,032</u>	<u>33,543</u>
Finance:			
Personnel services	531,917	529,653	2,264
Supplies	21,034	20,506	528
Other service and charges	39,764	39,134	630
Capital outlay	-	(1,977)	1,977
Total finance	<u>592,715</u>	<u>587,316</u>	<u>5,399</u>
Treasurer:			
Personnel services	572,746	566,811	5,935
Supplies	56,200	42,132	14,068
Other service and charges	129,127	112,821	16,306
Capital outlay	21,000	20,725	275
Total treasurer	<u>779,073</u>	<u>742,489</u>	<u>36,584</u>
Data processing:			
Personnel services	308,204	303,984	4,220
Supplies	11,529	10,810	719
Other service and charges	307,576	293,599	13,977
Capital outlay	116,745	115,241	1,504
Total data processing	<u>744,054</u>	<u>723,634</u>	<u>20,420</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Auditor:			
Personnel services	370,131	377,129	(6,998)
Supplies	17,248	16,472	776
Other service and charges	25,499	20,644	4,855
Capital outlay	3,645	1,387	2,258
Total auditor	<u>416,523</u>	<u>415,632</u>	<u>891</u>
Tax assessor:			
Personnel services	1,030,651	1,035,018	(4,367)
Supplies	13,000	12,822	178
Other service and charges	79,233	76,723	2,510
Capital outlay	18,240	54,580	(36,340)
Total tax assessor	<u>1,141,124</u>	<u>1,179,143</u>	<u>(38,019)</u>
Procurement & facilities:			
Personnel services	189,675	187,568	2,107
Supplies	4,900	4,777	123
Other service and charges	13,623	8,963	4,660
Capital outlay	-	9,076	(9,076)
Total central services	<u>208,198</u>	<u>210,384</u>	<u>(2,186)</u>
Clerk of Court:			
Personnel services	769,966	778,037	(8,071)
Supplies	51,165	41,783	9,382
Other service and charges	62,065	57,271	4,794
Capital outlay	8,580	5,992	2,588
Total Clerk of Court	<u>891,776</u>	<u>883,083</u>	<u>8,693</u>
Court of Common Pleas			
Personnel services	92,387	93,098	(711)
Supplies	250	-	250
Other service and charges	65,000	71,774	(6,774)
Total court of common pleas	<u>157,637</u>	<u>164,872</u>	<u>(7,235)</u>
Solicitor:			
Personnel services	849,514	753,830	95,684
Supplies	13,004	14,002	(998)
Other service and charges	64,899	65,049	(150)
Capital outlay	-	-	-
Total solicitor	<u>927,417</u>	<u>832,881</u>	<u>94,536</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Human resources management:			
Personnel services	223,482	223,443	39
Supplies	5,600	4,442	1,158
Other service and charges	12,000	7,814	4,186
Capital outlay	-	-	-
Total human resources management	<u>241,082</u>	<u>235,699</u>	<u>5,383</u>
Family court:			
Personnel services	533,503	557,097	(23,594)
Supplies	27,341	26,415	926
Other service and charges	57,379	56,140	1,239
Capital outlay	-	-	-
Total family court	<u>618,223</u>	<u>639,652</u>	<u>(21,429)</u>
Judge of Probate:			
Personnel services	430,355	420,773	9,582
Supplies	13,000	6,112	6,888
Other service and charges	33,419	23,977	9,442
Capital outlay	531	531	-
Total Judge of Probate	<u>477,305</u>	<u>451,393</u>	<u>25,912</u>
Public defender:			
Personnel services	530,797	526,642	4,155
Supplies	4,300	4,206	94
Other service and charges	24,850	17,408	7,442
Capital outlay	300	136	164
Total public defender	<u>560,247</u>	<u>548,392</u>	<u>11,855</u>
Master in Equity:			
Personnel services	44,199	46,868	(2,669)
Supplies	350	341	9
Other service and charges	400	315	85
Total Master in Equity	<u>44,949</u>	<u>47,524</u>	<u>(2,575)</u>
Magistrates' Offices			
Personnel services	1,624,888	1,686,698	(61,810)
Supplies	29,257	29,229	28
Other service and charges	248,217	231,316	16,901
Capital outlay	31,896	10,888	21,008
Total magistrates' offices	<u>1,934,258</u>	<u>1,958,131</u>	<u>(23,873)</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Building inspections:			
Personnel services	1,327,384	1,234,137	93,247
Supplies	22,000	19,665	2,335
Other service and charges	114,017	106,562	7,455
Capital outlay	184,022	222,769	(38,747)
Total building inspections	<u>1,647,423</u>	<u>1,583,133</u>	<u>64,290</u>
Voter registration and election commission:			
Personnel services	214,384	218,419	(4,035)
Supplies	19,500	18,131	1,369
Other service and charges	87,652	205,855	(118,203)
Capital outlay	18,849	15,320	3,529
Total voter registration and election commission	<u>340,385</u>	<u>457,725</u>	<u>(117,340)</u>
Veterans' affairs:			
Personnel services	116,816	117,983	(1,167)
Supplies	1,050	812	238
Other service and charges	10,740	10,614	126
Total veterans' affairs	<u>128,606</u>	<u>129,409</u>	<u>(803)</u>
Public services buildings:			
Personnel services	242,769	264,589	(21,820)
Supplies	5,333	2,293	3,040
Other service and charges	495,397	540,136	(44,739)
Capital outlay	65,510	29,375	36,135
Total public services buildings	<u>809,009</u>	<u>836,393</u>	<u>(27,384)</u>
Direct assistance:			
City-County Complex	1,044,553	1,092,659	(48,106)
Council of Governments	75,457	75,457	-
Senior Citizens Association	10,000	10,000	-
Pee Dee CAA	10,000	10,000	-
City-County Stadium Commission	3,000	3,000	-
Others	13,817	13,817	-
Total direct assistance	<u>1,156,827</u>	<u>1,204,933</u>	<u>(48,106)</u>
Other:			
Personnel services	763,520	721,858	41,662
Supplies	4,000	2,208	1,792
Other service and charges	427,444	309,622	117,822
Capital outlay	3,000	8,074	(5,074)
Direct assistance	5,000	5,000	-
Total other	<u>1,202,964</u>	<u>1,046,762</u>	<u>156,202</u>
Total general government	<u>15,903,791</u>	<u>15,700,650</u>	<u>203,141</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Public safety:			
Direct assistance:			
Rural fire departments	15,000	12,354	2,646
Total direct assistance	<u>15,000</u>	<u>12,354</u>	<u>2,646</u>
Total public safety	<u>15,000</u>	<u>12,354</u>	<u>2,646</u>
Public works:			
Central maintenance:			
Supplies	500	-	500
Other service and charges	859,885	963,352	(103,467)
Capital outlay	5,000	4,608	392
Total central maintenance	<u>865,385</u>	<u>967,960</u>	<u>(102,575)</u>
Public works operating:			
Personnel services	1,577,970	1,655,163	(77,193)
Supplies	6,500	7,117	(617)
Other service and charges	634,347	852,256	(217,909)
Capital outlay	448,970	459,632	(10,662)
Total public works operating	<u>2,667,787</u>	<u>2,974,168</u>	<u>(306,381)</u>
Total public works	<u>3,533,172</u>	<u>3,942,128</u>	<u>(408,956)</u>
Health:			
Health department:			
Supplies	700	196	504
Other service and charges	85,300	86,813	(1,513)
Capital outlay	-	-	-
Total health department	<u>86,000</u>	<u>87,009</u>	<u>(1,009)</u>
Environmental services:			
Personnel services	412,674	380,681	31,993
Supplies	7,399	7,473	(74)
Other service and charges	81,535	83,970	(2,435)
Capital outlay	53,006	30,940	22,066
Total environmental services	<u>554,614</u>	<u>503,064</u>	<u>51,550</u>
Emergency medical services:			
Personnel services	3,053,450	2,977,933	75,517
Supplies	24,050	17,199	6,851
Other service and charges	398,215	339,185	59,030
Capital outlay	280,000	125,831	154,169
Total emergency medical services	<u>3,755,715</u>	<u>3,460,148</u>	<u>295,567</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Rescue - ambulance squads:			
Supplies	31,708	21,746	9,962
Capital outlay	106,794	85,446	21,348
Direct assistance	98,018	92,247	5,771
Total rescue - ambulance squads	<u>236,520</u>	<u>199,439</u>	<u>37,081</u>
Coroner:			
Personnel services	162,334	167,195	(4,861)
Supplies	2,344	2,041	303
Other service and charges	62,225	70,694	(8,469)
Capital outlay	21,156	21,152	4
Total coroner	<u>248,059</u>	<u>261,082</u>	<u>(13,023)</u>
Direct assistance:			
Direct assistance	15,900	15,900	-
Total direct assistance	<u>15,900</u>	<u>15,900</u>	<u>-</u>
Total health	<u>4,896,808</u>	<u>4,526,642</u>	<u>370,166</u>
Welfare:			
Indigent care:			
Other services and charges	463,978	463,846	132
Total indigent care	<u>463,978</u>	<u>463,846</u>	<u>132</u>
Social services:			
Other services and charges	52,000	37,238	14,762
Total social services	<u>52,000</u>	<u>37,238</u>	<u>14,762</u>
Direct assistance:			
Pee Dee Coalition	10,000	10,000	-
Paupers' funerals	6,000	6,800	(800)
Total direct assistance	<u>16,000</u>	<u>16,800</u>	<u>(800)</u>
Total welfare	<u>531,978</u>	<u>517,884</u>	<u>14,094</u>
Culture and recreation:			
Recreation:			
Personnel services	806,150	819,815	(13,665)
Supplies	81,000	81,591	(591)
Other service and charges	989,042	935,331	53,711
Capital outlay	67,200	65,024	2,176
Direct assistance	64,800	58,941	5,859
Total recreation	<u>2,008,192</u>	<u>1,960,702</u>	<u>47,490</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Freedom Florence			
Personnel services	105,590	161,252	(55,662)
Supplies	39,050	40,576	(1,526)
Other service and charges	221,187	264,573	(43,386)
Capital outlay	-	12,624	(12,624)
Total Freedom Florence	<u>365,827</u>	<u>479,025</u>	<u>(113,198)</u>
Lynches River County Park:			
Personnel services	190,018	137,037	52,981
Supplies	12,725	10,849	1,876
Other service and charges	81,159	75,273	5,886
Capital outlay	93,150	20,189	72,961
Total Lynches River County Park	<u>377,052</u>	<u>243,348</u>	<u>133,704</u>
Direct assistance:			
Museum	10,000	10,000	-
Total direct assistance	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total culture and recreation	<u>2,761,071</u>	<u>2,693,075</u>	<u>67,996</u>
Education:			
Direct assistance:			
Literacy Council	4,950	4,950	-
Total direct assistance	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Total education	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Total expenditures	<u>\$ 27,646,770</u>	<u>\$ 27,397,683</u>	<u>\$ 249,087</u>

FLORENCE COUNTY, SOUTH CAROLINA

ANALYSIS OF CURRENT LEVY

June 30, 2006

Original assessment	
Regular	\$ 50,653,908
Mill exemption	695,742
Homestead exemption	3,543,105
Local option sales tax	8,934,828
School exemption	<u>5,851,019</u>
	<u>69,678,602</u>
Additions	
Regular	15,816,487
Mill exemption	86,228
Homestead exemption	312,846
Local option sales tax	1,731,178
School exemption	<u>324,597</u>
	<u>18,271,336</u>
Abatements	
Regular	4,579,647
Mill exemption	34,031
Homestead exemption	42,911
Local option sales tax	595,665
School exemption	<u>188,455</u>
	<u>5,440,709</u>
Collections and credits	
Regular	58,146,459
Mill exemption	732,774
Homestead exemption	3,813,040
Local option sales tax	9,383,054
School exemption	<u>5,987,161</u>
	<u>78,062,488</u>
Executions	<u><u>\$ 4,446,741</u></u>

FLORENCE COUNTY, SOUTH CAROLINA
SCHEDULE OF TAXES RECEIVABLE - DELINQUENT
June 30, 2006

	Uncollected Balance July 1, 2005	Additions	Collections	Credits (Debits)	Uncollected Balance June 30, 2006
2005	\$ -	\$ 4,313,218	\$ 1,643,448	\$ 461,116	\$ 2,208,654
2004	2,355,114	60,681	1,621,982	194,966	598,847
2003	497,908	55,097	54,910	58,927	439,168
2002	416,668	8,763	39,623	18,111	367,697
2001	252,533	5,080	11,737	8,297	237,579
2000	166,349	2,071	5,128	5,804	157,488
1999	185,614	1,493	2,095	2,495	182,517
1998	147,327	-	1,746	713	144,868
1997	169,978	104	724	316	169,042
1996	4,194	234	105	172	4,151
1995	14,328	-	-	14,328	-
	<u>\$ 4,210,013</u>	<u>\$ 4,446,741</u>	<u>\$ 3,381,498</u>	<u>\$ 765,245</u>	<u>\$ 4,510,011</u>

The schedule is not reduced for an allowance for uncollectible taxes, nor does it include costs and execution fees relating to the above receivables nor accounts nulla bonaed. It includes delinquent taxes and penalties.

The schedule also includes \$3,308,796 of receivables relating to school districts.
 Reconciliation follows:

Per balance sheet (page 27)	\$ 151,990
Add:	
Allowance for delinquent doubtful accounts	1,352,588
Fiduciary funds	3,427,846
Less costs and fees receivable	<u>(422,413)</u>
As above	<u>\$ 4,510,011</u>

FLORENCE COUNTY, SOUTH CAROLINA

**ASSESSED VALUE OF TAXABLE PROPERTY IN FLORENCE COUNTY
LAST TEN YEARS
(UNAUDITED)**

The assessed value of all taxable real and personal property (non-industrial property) and the assessed value of all real and personal industrial property in the County for each of the last 10 years is set forth below:

Tax Year	Non-manufacturing		Manufacturing*		Total Assessments
	Real	Personal	Real	Personal	
1996	139,972,747	66,913,835	22,192,074	82,033,003	311,111,659
1997	145,508,958	71,743,882	19,207,351	72,667,796	309,127,987
1998	148,853,865	71,885,305	19,083,506	66,420,523	306,243,199
1999	200,934,877	85,502,852	17,028,681	65,977,727	369,444,137
2000	206,331,852	94,334,679	17,805,324	65,581,829	384,053,684
2001	210,621,959	85,521,813	17,049,943	63,531,012	376,724,727
2002	217,688,421	80,118,648	18,032,345	59,988,736	375,828,150
2003	223,070,997	77,901,350	16,106,416	60,269,076	377,347,839
2004	227,583,167	74,195,939	16,259,777	62,206,241	380,245,124
2005	259,255,734	71,126,584	14,148,439	62,217,151	406,747,908

* Assessed values for Utilities and Railroads property are included in Manufacturing personal. The breakdown between personal and real property for Utilities and Railroads is not readily available from the South Carolina Department of Revenue and Taxation.

FLORENCE COUNTY, SOUTH CAROLINA

**MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY IN FLORENCE
COUNTY
TAX YEAR BEGINNING DECEMBER 31, 2005, BY PROPERTY CLASSIFICATION
(UNAUDITED)**

The assessed value of all taxable property in Florence County for Tax Year 2005, according to classification of property, is set forth below:

<u>Classification of Property</u>	<u>Market Value</u>	<u>Assessment</u>
Real Estate (Non-manufacturing) Farm	\$ 231,341,854	\$ 9,522,319
Real Estate (Non-Manufacturing) Non-farm	5,010,509,827	241,695,016
Mobile Homes	186,177,469	8,038,399
Business Personal	53,945,219	5,664,249
Watercraft	23,392,559	2,456,220
Aircraft	7,667,000	306,680
Utilities	248,509,145	26,093,461
Manufacturers' Furniture & Fixtures	131,850,302	13,844,283
Manufacturers' Real Estate	134,747,031	14,148,439
Manufacturers' Personal	192,721,677	20,235,777
Railroads	21,511,887	2,043,630
Vehicles	<u>842,037,045</u>	<u>62,699,435</u>
Totals	<u>\$7,084,411,015</u>	<u>\$406,747,908</u>

Exempt Manufacturing Property

Article X, Section 3 of the Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of \$50,000) to existing manufacturing establishments are exempt from ad valorem taxation for five years for county taxes only. No exemption is granted from school or municipal taxes.

The following table provides a breakdown of the total assessment between property subject to the exemption and property which is fully taxable for each of the last ten (10) years for which the information is available:

<u>Year Ending 12/31</u>	<u>Exempt Manufacturing Property</u>	<u>Total Assessment Not Exempt</u>	<u>Total Assessment</u>
1996	37,080,284	274,031,375	311,111,659
1997	27,797,357	281,330,630	309,127,987
1998	24,255,869	281,987,330	306,243,199
1999	23,324,278	346,119,859	369,444,137
2000	22,947,673	361,106,011	384,053,684
2001	12,899,770	363,824,957	376,724,727
2002	11,012,180	364,815,970	375,828,150
2003	10,439,940	366,907,899	377,347,839
2004	12,384,860	367,860,264	380,245,124
2005	11,717,650	395,030,258	406,747,908

FLORENCE COUNTY, SOUTH CAROLINA

ASSESSED VALUE OF TAXABLE PROPERTY IN FLORENCE COUNTY
TAX YEAR ENDING DECEMBER 31, 2005 BY TAX DISTRICT
(UNAUDITED)

The assessed value of all taxable property in Florence County for tax year 2005, by tax district and according to major category, is set forth below:

District	Real Property	Personal Property
100 Florence Rural Fire District	\$ 82,380,914	\$ 1,384,921
110 City of Florence	97,971,165	5,476,967
120 Town of Quinby	1,623,111	12,998
130 Howe Springs Fire District	27,572,946	492,877
School District #1	209,548,136	7,367,763
200 Hannah-Salem-Friendfield	2,697,660	80,090
210 Town of Pamplico	1,404,644	16,336
220 Howe Springs Fire District	1,032,927	11,020
230 Hannah-Salem-Friendfield	2,946,944	93,750
School District #2	8,082,175	201,196
300 South Lynches Fire District	2,170,617	63,872
301 SLFD/Salem Watershed	1,751,775	-
310 South Lynches Fire District	5,891,968	141,509
311 SLFD/Salem Watershed	2,050,337	-
319 SLFD/Joint Ind Park	50,986	581
320 City of Lake City	9,546,335	249,379
330 Town of Olanta	996,409	25,974
340 Town of Coward	543,536	5,860
341 Town of Coward/Salem Watershed	78,648	-
350 Town of Scranton	331,844	7,549
351 Town of Scranton/Salem Watershed	457,164	-
360 SLFD/Lynches Lake Camp Branch	6,674	450
361 SLFD/Lynches Lake Camp Branch	45,648	-
371 SLFD/Lynches Lake Camp Branch	59,480	-
380 Florence Rural Fire District	1,451,633	29,049
381 FRFD/Salem Watershed	92,632	-
390 FRFD/Lynches Lake Camp Branch	3,777	110
391 FRFD/Lynches Lake Camp Branch	303,580	-
School District #3	25,833,043	524,333
400 Sardis-Timmonsville Fire District	5,757,530	109,894
410 Town of Timmonsville	2,613,746	23,415
420 Florence Rural Fire District	451,903	44,660
School District #4	8,823,179	177,969
500 Johnsonville Rural Fire District	4,691,893	112,938
510 Town of Johnsonville	2,277,308	42,950
School District #5	6,969,201	155,888
Total County	\$ 259,255,734	\$ 8,427,149

Tax Commission	Vehicles	Total Assessment
\$ 35,470,746	\$ 22,335,359	\$ 141,571,940
16,655,055	15,645,826	135,749,013
285,319	303,870	2,225,298
<u>4,352,810</u>	<u>8,619,740</u>	<u>41,038,373</u>
<u>56,763,930</u>	<u>46,904,795</u>	<u>320,584,624</u>
2,083,081	849,890	5,710,721
635,037	411,660	2,467,677
7,550	412,910	1,464,407
<u>214,532</u>	<u>1,161,250</u>	<u>4,416,476</u>
<u>2,940,200</u>	<u>2,835,710</u>	<u>14,059,281</u>
1,199,780	1,097,280	4,531,549
3,130	-	1,754,905
2,411,617	3,568,640	12,013,734
-	-	2,050,337
3,959,846	-	4,011,413
2,063,478	1,746,820	13,606,012
364,240	235,810	1,622,433
183,252	69,930	802,578
-	-	78,648
138,947	160,520	638,860
-	-	457,164
-	470	7,594
-	-	45,648
-	-	59,480
24,890	650,630	2,156,202
-	-	92,632
20	5,240	9,147
-	-	303,580
<u>10,349,200</u>	<u>7,535,340</u>	<u>44,241,916</u>
1,633,848	2,369,370	9,870,642
530,312	513,960	3,681,433
<u>2,890</u>	<u>-</u>	<u>499,453</u>
<u>2,167,050</u>	<u>2,883,330</u>	<u>14,051,528</u>
3,405,651	1,926,270	10,136,752
<u>739,559</u>	<u>613,990</u>	<u>3,673,807</u>
<u>4,145,210</u>	<u>2,540,260</u>	<u>13,810,559</u>
<u>\$ 76,365,590</u>	<u>\$ 62,699,435</u>	<u>\$ 406,747,908</u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF SCHOOL GENERAL FUND
 CASH DUE FROM TREASURER
 Year Ended June 30, 2006

	District One	District Two	District Three
Cash due from Treasurer - beginning	\$ 709,792	\$ 45,486	\$ 182,530
Add receipts:			
Current property taxes	30,879,345	1,210,513	4,545,544
Inventory exemption	440,969	9,789	94,239
Vehicle taxes	6,829,792	438,589	1,141,009
Delinquent property taxes	1,431,980	109,028	327,588
Penalties	66,432	5,243	14,187
Fee transfer	-	-	(11,514)
State and federal aid	72,934,091	6,127,637	23,410,664
Interest on investments	69,153	3,143	12,148
State homestead exemption	5,671,674	434,248	1,211,212
Fees in lieu of taxes	1,403,599	56,723	515,488
Total receipts	<u>119,727,035</u>	<u>8,394,913</u>	<u>31,260,565</u>
Less disbursements:			
Claims paid to School Districts	119,536,487	8,377,402	31,233,850
Refunds	117,805	8,247	18,913
Total disbursements	<u>119,654,292</u>	<u>8,385,649</u>	<u>31,252,763</u>
Cash due from Treasurer - ending	<u>\$ 782,535</u>	<u>\$ 54,750</u>	<u>\$ 190,332</u>

District Four	District Five	Total
<u>\$ 55,962</u>	<u>\$ 63,729</u>	<u>\$ 1,057,499</u>
818,018	1,842,759	39,296,179
17,467	7,905	570,369
347,502	497,573	9,254,465
144,151	83,276	2,096,023
3,640	5,963	95,465
-	-	(11,514)
7,003,616	7,833,700	117,309,708
3,072	4,176	91,692
416,188	411,413	8,144,735
518,334	75,626	2,569,770
<u>9,271,988</u>	<u>10,762,391</u>	<u>179,416,892</u>
9,262,997	10,752,738	179,163,474
4,473	10,346	159,784
<u>9,267,470</u>	<u>10,763,084</u>	<u>179,323,258</u>
<u>\$ 60,480</u>	<u>\$ 63,036</u>	<u>\$ 1,151,133</u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF SCHOOL DEBT SERVICE FUND
 CASH DUE FROM TREASURER
 Year Ended June 30, 2006

	District One	District Two	District Three
Cash due from Treasurer - beginning	<u>\$ 1,857,134</u>	<u>\$ 305,354</u>	<u>\$ 238,677</u>
Add receipts:			
Current property taxes	4,099,330	557,008	382,477
Inventory exemption	175,434	1,240	22,165
Vehicle taxes	781,312	175,965	84,814
Delinquent property taxes	195,421	57,109	31,398
Fee transfer	-	-	(856)
Penalties	10,352	3,145	1,645
Interest on investments	86,108	10,345	9,558
Homestead exemption	168,598	54,717	30,415
Fees in lieu of taxes	<u>185,709</u>	<u>8,304</u>	<u>20,095</u>
Total receipts	<u>5,702,264</u>	<u>867,833</u>	<u>581,711</u>
Less disbursements:			
Bond principal paid	5,225,000	465,000	480,000
Interest payments	505,200	326,363	94,518
Paying agent fees	3,120	780	1,050
Refunds	<u>13,475</u>	<u>3,277</u>	<u>1,441</u>
Total disbursements	<u>5,746,795</u>	<u>795,420</u>	<u>577,009</u>
Cash due from Treasurer - ending	<u><u>\$ 1,812,603</u></u>	<u><u>\$ 377,767</u></u>	<u><u>\$ 243,379</u></u>

District Four	District Five	Total
<u>\$ (40,506)</u>	<u>\$ 259,824</u>	<u>\$ 2,620,483</u>
935,540	456,956	6,431,311
2,015	3,434	204,288
210,894	131,022	1,384,007
92,333	29,183	405,444
-	-	(856)
6,007	1,938	23,087
6,715	10,385	123,111
93,392	29,532	376,654
<u>56,341</u>	<u>14,190</u>	<u>284,639</u>
<u>1,403,237</u>	<u>676,640</u>	<u>9,231,685</u>
866,770	432,787	7,469,557
366,740	200,486	1,493,307
2,153	2,727	9,830
<u>2,257</u>	<u>2,865</u>	<u>23,315</u>
<u>1,237,920</u>	<u>638,865</u>	<u>8,996,009</u>
<u><u>\$ 124,811</u></u>	<u><u>\$ 297,599</u></u>	<u><u>\$ 2,856,159</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF SCHOOL CAPITAL PROJECT FUND
 CASH DUE FROM TREASURER
 Year Ended June 30, 2006

	District One	District Two	District Three
Cash due from Treasurer - beginning	<u>\$ 1,229,046</u>	<u>\$ 1,137</u>	<u>\$ 9</u>
Add receipts:			
Interest on investments	29,591	36	-
Proceeds from bond issue	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts	<u>29,591</u>	<u>36</u>	<u>-</u>
Less disbursements:			
Claims paid to School Districts	<u>690,579</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>690,579</u>	<u>-</u>	<u>-</u>
Cash due from Treasurer - ending	<u><u>\$ 568,058</u></u>	<u><u>\$ 1,173</u></u>	<u><u>\$ 9</u></u>

District Four	District Five	Total
<u>\$ 8,643</u>	<u>\$ 224,942</u>	<u>\$ 1,463,777</u>
273	2,622	32,522
<u>-</u>	<u>-</u>	<u>-</u>
<u>273</u>	<u>2,622</u>	<u>32,522</u>
<u>-</u>	<u>224,981</u>	<u>915,560</u>
<u>-</u>	<u>224,981</u>	<u>915,560</u>
<u><u>\$ 8,916</u></u>	<u><u>\$ 2,583</u></u>	<u><u>\$ 580,739</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF MUNICIPALITIES FUND
 CASH DUE FROM TREASURER
 Year Ended June 30, 2006

	Florence	Quinby	Pamplico
Cash due from Treasurer - beginning	<u>\$ 38,980</u>	<u>\$ 209</u>	<u>\$ 1,812</u>
Add receipts:			
Current property taxes	6,028,408	19,760	150,577
Vehicle taxes	926,071	4,086	34,707
Delinquent property taxes	230,102	1,105	11,723
Penalties	4,052	-	92
Fees in lieu of taxes	47,791	-	-
Less local option sales tax credits	<u>(4,948,137)</u>	<u>(23,705)</u>	<u>(135,668)</u>
Total receipts	<u>2,288,287</u>	<u>1,246</u>	<u>61,431</u>
Less disbursements:			
Payments to municipality	2,283,197	1,181	61,404
Refunds	<u>10,553</u>	<u>-</u>	<u>118</u>
Total disbursements	<u>2,293,750</u>	<u>1,181</u>	<u>61,522</u>
Cash due from Treasurer - ending	<u><u>\$ 33,517</u></u>	<u><u>\$ 274</u></u>	<u><u>\$ 1,721</u></u>

Lake City	Olanta	Coward	Scranton	Timmons ville	Johnsonville	Total
<u>\$ 31,012</u>	<u>\$ 32</u>	<u>\$ 131</u>	<u>\$ 190</u>	<u>\$ 1,294</u>	<u>\$ 98</u>	<u>\$ 73,758</u>
1,585,791	62,801	-	-	251,351	127,095	8,225,783
285,973	13,795	-	-	49,555	32,421	1,346,608
152,422	4,413	-	-	45,954	7,540	453,259
6,567	9	-	-	68	10	10,798
-	-	-	-	-	-	47,791
<u>(549,509)</u>	<u>(67,409)</u>	<u>-</u>	<u>-</u>	<u>(287,630)</u>	<u>(155,893)</u>	<u>(6,167,951)</u>
<u>1,481,244</u>	<u>13,609</u>	<u>-</u>	<u>-</u>	<u>59,298</u>	<u>11,173</u>	<u>3,916,288</u>
1,487,101	13,522	-	-	59,026	11,181	3,916,612
<u>3,547</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>291</u>	<u>18</u>	<u>14,544</u>
<u>1,490,648</u>	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>59,317</u>	<u>11,199</u>	<u>3,931,156</u>
<u><u>\$ 21,608</u></u>	<u><u>\$ 102</u></u>	<u><u>\$ 131</u></u>	<u><u>\$ 190</u></u>	<u><u>\$ 1,275</u></u>	<u><u>\$ 72</u></u>	<u><u>\$ 58,890</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

**DETAIL SCHEDULE OF FIRE BOARD FUND
CASH DUE FROM TREASURER
Year Ended June 30, 2006**

	South Lynches River Fire District	Florence Rural Fire District	Pamplico Fire District	Hannah- Salem- Friendfield Fire District
Cash due from Treasurer - beginning	<u>\$ 20,683</u>	<u>\$ 15,372</u>	<u>\$ 199</u>	<u>\$ 3,019</u>
Add receipts:				
Current property taxes	384,060	573,068	-	100,551
Inventory exemption	11,208	15,989	-	-
Vehicle taxes	87,223	118,023	-	30,605
Delinquent property taxes	27,518	28,742	-	9,495
Penalties	1,249	1,400	-	566
Interest on investments	1,174	1,763	2	284
State aid	13,119	83,717	1,548	5,464
Homestead exemption	23,353	20,803	-	9,485
Fee in lieu of property tax	<u>90,447</u>	<u>76,279</u>	<u>-</u>	<u>-</u>
Total receipts	<u>639,351</u>	<u>919,784</u>	<u>1,550</u>	<u>156,450</u>
Less disbursements:				
Claims paid to Fire Board	636,829	914,820	1,548	155,236
Refunds	1,450	1,858	-	701
Penalty abatements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>638,279</u>	<u>916,678</u>	<u>1,548</u>	<u>155,937</u>
Cash due from Treasurer - ending	<u><u>\$ 21,755</u></u>	<u><u>\$ 18,478</u></u>	<u><u>\$ 201</u></u>	<u><u>\$ 3,532</u></u>

City of Florence	City of Lake City	City of Olanta	City of Scranton	City of Timmonsville	City of Johnsonville	Total
<u>\$ 697</u>	<u>\$ 89</u>	<u>\$ 10</u>	<u>\$ 9</u>	<u>\$ 34</u>	<u>\$ 19</u>	<u>\$ 40,131</u>
-	-	-	-	-	-	1,057,679
-	-	-	-	-	-	27,197
-	-	-	-	-	-	235,851
-	-	-	-	-	-	65,755
-	-	-	-	-	-	3,215
114	13	1	1	4	3	3,359
88,209	9,493	1,041	-	2,763	2,250	207,604
-	-	-	-	-	-	53,641
-	-	-	-	-	-	166,726
<u>88,323</u>	<u>9,506</u>	<u>1,042</u>	<u>1</u>	<u>2,767</u>	<u>2,253</u>	<u>1,821,027</u>
88,209	9,493	1,041	-	2,763	2,250	1,812,189
-	-	-	-	-	-	4,009
-	-	-	-	-	-	-
<u>88,209</u>	<u>9,493</u>	<u>1,041</u>	<u>-</u>	<u>2,763</u>	<u>2,250</u>	<u>1,816,198</u>
<u><u>\$ 811</u></u>	<u><u>\$ 102</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 38</u></u>	<u><u>\$ 22</u></u>	<u><u>\$ 44,960</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF LYNCHES LAKE/CAMP BRANCH FUND

CASH DUE FROM TREASURER

Year Ended June 30, 2006

Cash due from Treasurer - beginning	<u>\$ 999</u>
Add receipts:	
Current property taxes	6,317
Delinquent property taxes	602
Homestead exemption	841
Penalties	50
State and federal aid	-
Interest on investments	<u>125</u>
Total receipts	<u>7,935</u>
Less disbursements:	
Claims paid to Lynchess Lake/Camp Branch	<u>7,918</u>
Total disbursements	<u>7,918</u>
Cash due from Treasurer - ending	<u><u>\$ 1,016</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF SALEM WATERSHED FUND
CASH DUE FROM TREASURER

Year Ended June 30, 2006

Cash due from Treasurer - beginning	<u>\$ 8,389</u>
Add receipts:	
Current property taxes	57,521
Vehicle taxes	-
Delinquent property taxes	6,003
Penalties	493
Homestead exemption	8,698
Interest on investments	<u>1,093</u>
Total receipts	<u>73,808</u>
Less disbursements:	
Claims paid to Salem Watershed	<u>72,508</u>
Total disbursements	<u>72,508</u>
Cash due from Treasurer - ending	<u><u>\$ 9,689</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF REGIONAL AIRPORT AUTHORITY FUND
CASH DUE TO TREASURER
Year Ended June 30, 2006

Cash due to Treasurer - beginning	<u>\$ (8,095)</u>
Add receipts:	
Interest on investments	<u>-</u>
Total receipts	<u>-</u>
Less disbursements:	
Refunds	<u>1</u>
Total disbursements	<u>1</u>
Cash due to Treasurer - ending	<u><u>\$ (8,096)</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF COMMISSION ON ALCOHOL AND DRUG ABUSE FUND
CASH DUE FROM TREASURER
Year Ended June 30, 2006

Cash due from Treasurer - beginning	<u>\$ -</u>
Add receipts:	
State aid	<u>206,841</u>
Total receipts	<u>206,841</u>
Less disbursements:	
Claims paid to Commission	<u>206,841</u>
Total disbursements	<u>206,841</u>
Cash due from Treasurer - ending	<u><u>\$ -</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF WILLIAMSBURG COUNTY FUND
CASH DUE FROM TREASURER
Year Ended June 30, 2006

Cash due from Treasurer - beginning	<u>\$ 133,658</u>
Add receipts:	
Current property taxes	<u>3,038,828</u>
Total receipts	<u>3,038,828</u>
Less disbursements:	
Claims paid to Williamsburg County	<u>2,160,378</u>
Total disbursements	<u>2,160,378</u>
Cash due from Treasurer - ending	<u><u>\$ 1,012,108</u></u>

FLORENCE COUNTY, SOUTH CAROLINA
DETAIL SCHEDULE OF MAGISTRATE FUND
CASH DUE TO OTHERS
Year Ended June 30, 2006

Cash due to others - beginning	<u>\$ 310,419</u>
Add receipts:	
Cash received from others	<u>3,412,031</u>
Total receipts	<u>3,412,031</u>
Less disbursements:	
Cash paid to others	<u>3,362,851</u>
Total disbursements	<u>3,362,851</u>
Cash due to others - ending	<u><u>\$ 359,599</u></u>

FLORENCE COUNTY, SOUTH CAROLINA
DETAIL SCHEDULE OF CLERK OF COURT FUND
CASH DUE TO OTHERS
Year Ended June 30, 2006

Cash due to others - beginning	<u>\$ 1,058,212</u>
Add receipts:	
Cash received from others	<u>4,823,305</u>
Total receipts	<u>4,823,305</u>
Less disbursements:	
Cash paid to others	<u>4,858,075</u>
Total disbursements	<u>4,858,075</u>
Cash due to others - ending	<u><u>\$ 1,023,442</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF SHERIFF FUND

CASH DUE TO OTHERS

Year Ended June 30, 2006

Cash due to others - beginning	<u>\$ 268,795</u>
Add receipts:	
Cash received from others	<u>232,798</u>
Total receipts	<u>232,798</u>
Less disbursements:	
Cash paid to others	<u>226,122</u>
Total disbursements	<u>226,122</u>
Cash due to others - ending	<u><u>\$ 275,471</u></u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF GENERAL FUND
BALANCE SHEET

June 30, 2006

	General Operations	Treasurer and Tax Sale
ASSETS		
Cash and investments	\$ 3,523,207	\$ 5,565,054
Receivables:		
Property taxes (net)	46,902	-
Other governmental units and agencies	5,067,616	-
Other (net)	2,750,795	-
Inventory	176,262	-
Due from other funds	2,132,257	-
	<u>2,132,257</u>	<u>-</u>
Total assets	<u>\$ 13,697,039</u>	<u>\$ 5,565,054</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,000,104	\$ -
Payroll withholdings and accruals	567,099	-
Other payables	1,210,647	5,619,855
Deferred revenues	2,413,907	-
	<u>5,191,757</u>	<u>5,619,855</u>
Total liabilities		
 Fund equity:		
Fund balance:		
Reserved for encumbrances	173,905	-
Reserved for inventory	155,353	-
Unreserved:		
Designated for capital improvements	-	-
Undesignated	8,176,024	(54,801)
Total fund equity/fund balance	<u>8,505,282</u>	<u>(54,801)</u>
Total liabilities and fund equity	<u>\$ 13,697,039</u>	<u>\$ 5,565,054</u>

Road Paving	Total
\$ 1,149,803	\$ 10,238,064
-	46,902
-	5,067,616
-	2,750,795
-	176,262
-	2,132,257
<u>\$ 1,149,803</u>	<u>\$ 20,411,896</u>
\$ 6,804	\$ 1,006,908
-	567,099
-	6,830,502
-	2,413,907
<u>6,804</u>	<u>10,818,416</u>
-	173,905
-	155,353
1,142,999	1,142,999
-	8,121,223
<u>1,142,999</u>	<u>9,593,480</u>
<u>\$ 1,149,803</u>	<u>\$ 20,411,896</u>

FLORENCE COUNTY, SOUTH CAROLINA

DETAIL SCHEDULE OF GENERAL FUND
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2006

	General Operations	Treasurer and Tax Sale
Revenues:		
Taxes	\$ 12,039,217	\$ -
Licenses and permits	4,766,632	-
Fines and fees	3,635,353	-
Intergovernmental	7,536,294	-
Sales and other functional revenues	2,812,062	-
Miscellaneous	1,392,909	-
Total revenues	<u>32,182,467</u>	<u>-</u>
Expenditures:		
Current:		
General government	15,618,712	-
Public safety	12,354	-
Public works	3,696,978	-
Health	4,426,197	-
Welfare	517,884	-
Culture and recreation	2,690,425	-
Education	4,950	-
Total expenditures	<u>26,967,500</u>	<u>-</u>
Revenues over (under) expenditures	5,214,967	-
Other financing sources (uses):		
Proceeds of capital lease	749,110	-
Operating transfer in	2,301,511	-
Operating transfer out	<u>(8,720,344)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(454,756)	-
Fund balance - beginning of year	8,950,410	(54,801)
Change in reserve for inventory	<u>9,628</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,505,282</u>	<u>\$(54,801)</u>

Road Paving	Elimination	Total
\$ -	\$ -	\$ 12,039,217
-	-	4,766,632
-	-	3,635,353
-	-	7,536,294
-	-	2,812,062
-	-	1,392,909
<u>-</u>	<u>-</u>	<u>32,182,467</u>
-	-	15,618,712
-	-	12,354
255,958	-	3,952,936
-	-	4,426,197
-	-	517,884
-	-	2,690,425
-	-	4,950
<u>255,958</u>	<u>-</u>	<u>27,223,458</u>
(255,958)	-	4,959,009
-	-	749,110
420,000	(420,000)	2,301,511
<u>-</u>	<u>420,000</u>	<u>(8,300,344)</u>
164,042	-	(290,714)
978,957	-	9,874,566
-	-	9,628
<u>\$ 1,142,999</u>	<u>\$ -</u>	<u>\$ 9,593,480</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - RECONCILIATION OF BUDGETARY
 BASIS TO ACCRUAL BASIS
 Year Ended June 30, 2006

	Budgetary Basis	Encumbrances		Juror Fees	Accrual Basis
		6/30/2005	6/30/2006		
General government:					
County Council	\$ 189,632	\$ -	\$ -	\$ -	\$ 189,632
Attorney	141,406	-	-	-	141,406
Administrator	491,032	-	-	-	491,032
Finance	587,316	-	1,977	-	589,293
Treasurer	742,489	-	-	-	742,489
Data processing	723,634	-	(46,307)	-	677,327
Auditor	415,632	-	-	-	415,632
Tax assessor	1,179,143	-	-	-	1,179,143
Support services	210,384	-	-	-	210,384
Clerk of Court	883,083	45	-	-	883,128
Court of common pleas	164,872	-	-	(8,057)	156,815
Solicitor	832,881	-	-	-	832,881
Human resources management	235,699	-	-	-	235,699
Family court	639,652	762	-	-	640,414
Judge of Probate	451,393	-	-	-	451,393
Public Defender	548,392	-	-	-	548,392
Master in Equity	47,524	-	-	-	47,524
Magistrates' offices	1,958,131	47	-	(1,420)	1,956,758
Building inspections	1,583,133	-	-	-	1,583,133
Voter registration & election commission	457,725	-	-	-	457,725
Veterans' affairs	129,409	-	-	-	129,409
Public services buildings	836,393	-	(28,985)	-	807,408
Direct assistance	1,204,933	-	-	-	1,204,933
Other	1,046,762	-	-	-	1,046,762
Total general government	<u>15,700,650</u>	<u>854</u>	<u>(73,315)</u>	<u>(9,477)</u>	<u>15,618,712</u>
Public safety:					
Direct assistance	12,354	-	-	-	12,354
Total public safety	<u>12,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,354</u>
Public works:					
Central maintenance	967,960	-	-	-	967,960
Public works operating	2,974,168	918	9,890	-	2,984,976
Total public works	<u>3,942,128</u>	<u>918</u>	<u>9,890</u>	<u>-</u>	<u>3,952,936</u>
Health:					
Health Department	87,009	-	-	-	87,009
Environmental services	503,064	-	379	-	503,443
Emergency medical services	3,460,148	2,533	(103,357)	-	3,359,324
Rescue-ambulance squads	199,439	-	-	-	199,439
Coroner	261,082	-	-	-	261,082
Direct assistance	15,900	-	-	-	15,900
Total health	<u>4,526,642</u>	<u>2,533</u>	<u>(102,978)</u>	<u>-</u>	<u>4,426,197</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - RECONCILIATION OF BUDGETARY
 BASIS TO ACCRUAL BASIS
 Year Ended June 30, 2006

	Budgetary Basis	Encumbrances		Juror Fees	Accrual Basis
		6/30/2005	6/30/2006		
Welfare:					
Indigent care	463,846	-	-	-	463,846
Social Services	37,238	-	-	-	37,238
Direct assistance	16,800	-	-	-	16,800
Total welfare	<u>517,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,884</u>
Culture and recreation:					
Recreation	1,960,702	3,401	(7,502)	-	1,956,601
Freedom Florence	479,025	492	-	-	479,517
Lynches River County Park	243,348	959	-	-	244,307
Direct assistance	10,000	-	-	-	10,000
Total culture and recreation	<u>2,693,075</u>	<u>4,852</u>	<u>(7,502)</u>	<u>-</u>	<u>2,690,425</u>
Education:					
Literacy Council	4,950	-	-	-	4,950
Total education	<u>4,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,950</u>
Total expenditures	<u>\$ 27,397,683</u>	<u>\$ 9,157</u>	<u>\$ (173,905)</u>	<u>\$ (9,477)</u>	<u>\$ 27,223,458</u>

**FLORENCE COUNTY, SOUTH CAROLINA
LIBRARY SCHEDULE OF REVENUES AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2006**

SOURCES OF FUNDS	BEGINNING BALANCE	REVENUES	EXPENDITURES	ENDING BALANCE
Local Sources:				
County or tax appropriation	\$ 1,592,777	\$ 1,370,225	\$ 1,987,023	\$ 975,979
Fees and fines	-	36,741	36,741	-
Gifts and donations	-	-	-	-
Other local	-	1,105,615	1,105,615	-
Total local sources	<u>\$ 1,592,777</u>	<u>\$ 2,512,581</u>	<u>\$ 3,129,379</u>	<u>\$ 975,979</u>
State Sources:				
State aid	\$ -	\$ 251,524	\$ 251,524	\$ -
Education lottery	-	36,604	36,604	-
Capital improvement bond	-	-	-	-
Other state	-	-	-	-
Total state sources	<u>\$ -</u>	<u>\$ 288,128</u>	<u>\$ 288,128</u>	<u>\$ -</u>
Federal Sources:				
Library Services & Technology Act	\$ -	-	-	-
Other federal	-	-	-	-
Total federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total All Sources of Funds	<u>\$ 1,592,777</u>	<u>\$ 2,800,709</u>	<u>\$ 3,417,507</u>	<u>\$ 975,979</u>

**FLORENCE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
VICTIM/WITNESS SPECIAL REVENUE FUND
Year Ended June 30, 2006**

Magistrate Court Fines	
Court fines collected	\$ 1,195,685
Court fines retained by County	<u>1,188,620</u>
Court fines remitted to the State Treasurer	<u>\$ 7,065</u>
Magistrate Court Assessments	
Court assessments collected	\$ 1,510,605
Court assessments retained by County	<u>111,304</u>
Court assessments remitted to the State Treasurer	<u>\$ 1,399,301</u>
Magistrate Court Surcharges	
Court surcharges collected	<u>\$ 156,250</u>
Court surcharges retained by County	<u>\$ 156,250</u>
General Sessions & Circuit Court Fines	
Court fines collected	\$ 158,340
Court fines remitted to solicitor	5,809
Court fines remitted to municipality	2,359
Court fines retained by County	<u>84,723</u>
Court fines remitted to the State Treasurer	<u>\$ 65,449</u>
General Sessions Court Assessments	
Court assessments collected	\$ 43,459
Court assessments retained by County	<u>1,930</u>
Court assessments remitted to the State Treasurer	<u>\$ 41,529</u>
General Sessions Court Surcharges	
Court surcharges collected	<u>\$ 60,613</u>
Court surcharges retained by County	<u>\$ 60,613</u>
Victim Services	
Magistrate Court assessments allocated to Victim Services	\$ 111,304
Magistrate Court surcharges allocated to Victim Services	156,250
General Sessions Court assessments allocated to Victim Services	1,930
General Sessions Court surcharges allocated to Victim Services	60,613
Investment Income	<u>16,934</u>
Funds allocated to Victim Services	347,032
Victim Services expenditures	<u>(556,824)</u>
Funds available for carryforward	<u>\$ (209,792)</u>



FLORENCE COUNTY, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2003*	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 46,069,324	\$ 48,268,793	\$ 51,876,930	\$ 53,667,749
Restricted	1,133,842	920,854	1,280,207	1,442,329
Unrestricted	17,869,108	21,939,616	15,716,231	13,515,623
Total governmental activities net assets	<u>\$ 65,072,274</u>	<u>\$ 71,129,263</u>	<u>\$ 68,873,368</u>	<u>\$ 68,625,701</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 577,122	\$ 2,764,970	\$ 2,677,720	\$ 2,626,519
Restricted	-	-	-	-
Unrestricted	17,542,441	13,780,071	13,647,004	12,749,337
Total business-type activities net assets	<u>\$ 18,119,563</u>	<u>\$ 16,545,041</u>	<u>\$ 16,324,724</u>	<u>\$ 15,375,856</u>
Primary government				
Invested in capital assets, net of related debt	\$ 46,646,446	\$ 51,033,763	\$ 54,554,650	\$ 56,294,268
Restricted	1,133,842	920,854	1,280,207	1,442,329
Unrestricted	35,411,549	35,719,687	29,363,235	26,264,960
Total primary government net assets	<u>\$ 83,191,837</u>	<u>\$ 87,674,304</u>	<u>\$ 85,198,092</u>	<u>\$ 84,001,557</u>

* first year of implementation of GASB Statement No. 34

FLORENCE COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2003*	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 17,397,616	\$ 17,060,251	\$ 18,983,257	\$ 18,916,067
Public safety	16,650,164	17,210,001	18,469,178	19,301,833
Economic and physical development	1,668,731	3,286,389	2,121,195	1,824,428
Public works	5,383,849	5,702,387	6,901,483	6,793,212
Health	4,436,483	4,511,934	4,654,915	4,753,736
Welfare	825,928	805,823	518,207	517,884
Culture and recreation	5,169,485	6,213,634	7,813,173	8,241,848
Education	1,567,095	657,436	2,019,145	2,391,420
Interest on long-term debt	2,600,252	2,607,774	2,599,706	2,418,282
Total governmental activities expenses	<u>55,699,603</u>	<u>58,055,629</u>	<u>64,080,259</u>	<u>65,158,710</u>
Business-type activities:				
Utility system	145,804	3,455	36,188	155,347
Landfill	2,941,993	3,266,528	3,197,252	3,468,902
E911 system	348,565	332,345	374,461	427,095
Total business-type activities expenses	<u>3,436,362</u>	<u>3,602,328</u>	<u>3,607,901</u>	<u>4,051,344</u>
Total primary government expenses	<u>\$ 59,135,965</u>	<u>\$ 61,657,957</u>	<u>\$ 67,688,160</u>	<u>\$ 69,210,054</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,923,049	\$ 5,099,301	\$ 5,433,385	\$ 5,562,097
Public safety	1,676,250	1,807,969	1,363,413	1,341,402
Public works	1,517,777	2,924,104	3,076,112	3,128,996
Health	1,592,292	1,808,939	1,895,012	2,079,171
Culture and recreation	504,799	472,378	561,242	507,822
Operating grants and contributions	13,268,183	10,113,186	10,861,203	11,420,110
Capital grants and contributions	11,782,510	4,683,578	2,811,643	6,498,642
Total governmental activities program revenues	<u>35,264,860</u>	<u>26,909,455</u>	<u>26,002,010</u>	<u>30,538,240</u>
Business-type activities:				
Charges for services:				
Utility system	69,460	-	-	-
Landfill	1,397,846	1,278,250	1,339,492	1,395,077
E911 system	548,558	523,465	554,172	461,304
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-

FLORENCE COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	2003*	2004	2005	2006
Total business-type activities program revenues	2,015,864	1,801,715	1,893,664	1,856,381
Total primary government program revenues	<u>\$ 37,280,724</u>	<u>\$ 28,711,170</u>	<u>\$ 27,895,674</u>	<u>\$ 32,394,621</u>
Net (expense)/revenue	\$ (20,434,743)	\$ (31,146,174)	\$ (38,078,249)	\$ (34,620,470)
Governmental activities	(1,420,498)	(1,800,613)	(1,714,237)	(2,194,963)
Business-type activities	<u>\$ (21,855,241)</u>	<u>\$ (32,946,787)</u>	<u>\$ (39,792,486)</u>	<u>\$ (36,815,433)</u>
Total primary government net expense				
General Revenue and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 18,388,044	\$ 18,324,940	\$ 17,987,432	\$ 18,367,671
Sales taxes	10,325,244	10,795,228	11,150,944	11,994,857
Fees in lieu of tax	1,745,474	1,624,918	1,626,194	1,629,715
Franchise fees	460,488	496,033	356,341	554,907
Accommodations tax	1,481,894	1,370,859	1,620,143	1,614,660
Unrestricted investment earnings	(621,326)	362,425	629,602	1,007,091
Gain on sale of capital assets	155,884	-	-	-
Loss on disposal of capital assets	-	(56,698)	-	-
Value of donated assets	-	4,296,458	3,606,327	-
Transfers	(1,260,000)	(11,000)	(1,154,629)	(796,098)
Total governmental activities	<u>30,675,702</u>	<u>37,203,163</u>	<u>35,822,354</u>	<u>34,372,803</u>
Business-type activities				
Unrestricted investment earnings	670,746	215,091	339,291	449,997
Gain on sale of capital assets	1,568,977	-	-	-
Transfers	1,260,000	11,000	1,154,629	796,098
Total business-type activities	<u>3,499,723</u>	<u>226,091</u>	<u>1,493,920</u>	<u>1,246,095</u>
Total primary government	<u>\$ 34,175,425</u>	<u>\$ 37,429,254</u>	<u>\$ 37,316,274</u>	<u>\$ 35,618,898</u>
Change in Net Assets				
Governmental activities	\$ 10,240,959	\$ 6,056,989	\$ (2,255,895)	\$ (247,667)
Business-type activities	2,079,225	(1,574,522)	(220,317)	(948,868)
Total primary government	<u>\$ 12,320,184</u>	<u>\$ 4,482,467</u>	<u>\$ (2,476,212)</u>	<u>\$ (1,196,535)</u>

* first year of implementation of GASB Statement No. 34

FLORENCE COUNTY, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FOUR FISCAL YEARS
 (accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Fee in Lieu of Tax	Franchise Fees	Accommodations Tax	Total
2003	\$ 18,388,044	\$ 10,325,244	\$ 1,745,474	\$ 460,488	\$ 1,481,894	\$ 32,401,144
2004	18,324,940	10,795,228	1,624,918	496,033	1,370,859	32,611,978
2005	17,987,432	11,150,944	1,626,194	356,341	1,620,143	32,741,054
2006	18,367,671	11,994,857	1,629,715	554,907	1,614,660	34,161,810

* first year of implementation of GASB Statement No. 34

FLORENCE COUNTY, SOUTH CAROLINA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	\$ 650,805	\$ 1,018,036	\$ 315,722	\$ 1,006,025	\$ 218,703	\$ 650,669	\$ 281,329	\$ 250,981	\$ 154,882	\$ 329,258
Unreserved	12,316,874	12,343,236	12,702,610	8,796,939	9,009,875	9,214,181	9,731,692	10,608,693	9,719,684	9,264,222
Total general fund	<u>\$ 12,967,679</u>	<u>\$ 13,361,272</u>	<u>\$ 13,018,332</u>	<u>\$ 9,802,964</u>	<u>\$ 9,228,578</u>	<u>\$ 9,864,850</u>	<u>\$ 10,013,021</u>	<u>\$ 10,859,674</u>	<u>\$ 9,874,566</u>	<u>\$ 9,593,480</u>
All other governmental funds										
Reserved	\$ 5,694,178	\$ 5,724,358	\$ 5,820,735	\$ 4,049,958	\$ 4,741,059	\$ 4,726,940	\$ 2,385,015	\$ 2,172,027	\$ 2,531,380	\$ 2,693,502
Unreserved, reported in:										
Special revenue funds	5,171,597	6,498,734	5,742,886	9,521,532	8,678,662	9,818,905	10,079,026	11,204,206	8,555,159	6,249,178
Capital project funds	118,654	45,541	47,445	6,809,760	9,308,421	9,603,645	22,419,641	7,292,739	3,599,597	3,536,354
Debt service funds	-	-	-	-	-	(13,329)	-	-	-	-
Total all other governmental funds	<u>\$ 10,984,429</u>	<u>\$ 12,268,633</u>	<u>\$ 11,611,066</u>	<u>\$ 20,381,250</u>	<u>\$ 22,728,142</u>	<u>\$ 24,136,161</u>	<u>\$ 34,883,682</u>	<u>\$ 20,668,972</u>	<u>\$ 14,686,136</u>	<u>\$ 12,479,034</u>

FLORENCE COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 21,379,082	\$ 22,206,986	\$ 22,859,053	\$ 26,790,047	\$ 28,701,695	\$ 29,476,837	\$ 32,401,144	\$ 32,611,978	\$ 32,741,054	\$ 31,565,153
Licenses and permits	2,490,549	3,179,303	3,552,542	3,271,649	2,656,645	2,470,358	2,371,270	3,978,438	4,331,066	4,766,632
Fees and fines	2,928,871	3,162,277	3,482,295	4,041,570	4,146,852	4,762,089	4,549,446	4,534,806	4,668,133	6,167,975
Intergovernmental	10,806,515	21,028,849	11,229,154	12,550,600	13,641,401	12,414,572	13,353,560	13,433,479	12,987,486	12,660,252
Sales and other functional revenues	1,187,382	1,353,416	1,555,094	1,682,102	2,100,224	1,974,427	2,355,863	2,662,609	2,752,894	2,852,280
Miscellaneous	1,885,419	2,330,084	2,637,347	3,031,356	3,659,999	6,069,754	9,555,664	1,814,514	3,134,556	2,918,067
Total revenues	40,677,818	53,260,915	45,315,485	51,367,324	54,906,816	57,168,037	64,586,947	59,035,824	60,615,189	60,930,359
Expenditures										
General government	9,887,240	14,252,976	14,169,436	16,463,912	14,929,674	15,046,848	16,975,932	16,637,668	18,357,705	18,413,536
Public safety	10,285,319	12,057,136	12,713,681	13,533,147	14,009,826	15,297,461	15,475,478	15,839,767	16,796,948	17,574,356
Economic and physical development	2,618,712	11,007,393	2,509,762	3,177,439	3,762,717	2,509,387	1,666,267	3,272,623	2,051,830	1,703,193
Public works	2,121,322	1,903,743	2,784,797	3,040,523	3,299,865	2,873,343	2,901,069	3,119,826	4,211,884	3,952,936
Health	3,005,100	2,705,102	3,296,801	3,819,808	4,329,239	4,169,212	4,085,531	4,203,302	4,374,228	4,467,831
Welfare	820,501	925,404	954,800	892,138	877,164	877,417	825,928	805,823	518,207	517,884
Culture and recreation	1,860,928	1,833,492	2,472,294	3,785,972	4,610,543	3,787,197	4,908,763	5,791,089	7,228,768	7,642,539
Education	960,385	1,460,385	1,474,950	1,054,950	1,169,450	2,204,950	1,567,095	657,436	2,019,145	1,849,950
Capital outlay	-	-	-	556,562	1,791,715	3,275,852	8,904,905	17,163,544	3,290,497	712,395
Debt service	1,625,104	1,696,078	1,787,822	1,849,174	2,069,801	2,491,804	2,803,659	6,357,094	6,392,033	4,400,905
Principal	2,415,067	2,343,051	2,241,138	2,144,680	2,405,169	2,428,503	2,581,552	2,801,786	2,391,420	2,118,800
Interest	19,799	11,961	21,286	16,303	22,518	36,358	18,700	5,988	(2,080)	26,862
Paying agent fee	35,619,477	50,196,721	44,426,767	50,334,608	53,277,681	54,998,332	62,715,879	76,455,946	67,630,575	63,381,187
Total expenditures	5,058,341	3,064,194	888,718	1,032,716	1,629,135	2,169,705	1,871,068	(17,420,122)	(7,015,386)	(2,450,828)
Excess of revenues over (under) expenditures	-	-	-	5,891,041	1,500,000	530,000	10,000,000	1,160,000	1,183,612	749,110
Other financing sources (uses)										
Proceeds of bond issue	-	-	-	-	-	737,630	313,160	1,219,554	1,183,612	-
Proceeds of capital lease	2,254,403	5,212,236	2,480,710	4,739,712	5,941,079	4,818,245	12,478,015	13,229,070	11,951,502	9,279,855
Transfer in	(3,620,913)	(6,637,790)	(4,369,149)	(6,128,712)	(7,309,079)	(6,261,741)	(13,738,015)	(13,240,070)	(13,106,131)	(10,075,953)
Transfer out	(1,366,510)	(1,425,554)	(1,888,439)	4,502,041	132,000	(175,866)	9,053,160	2,368,554	28,983	(46,988)
Total other financing sources (uses)	\$ 3,691,831	\$ 1,638,640	\$ (999,721)	\$ 5,534,757	\$ 1,761,135	\$ 1,993,839	\$ 10,924,228	\$ (15,051,568)	\$ (6,986,403)	\$ (2,497,816)
Net change in fund balances	12.86%	8.78%	10.03%	8.76%	9.57%	10.60%	11.16%	17.81%	15.81%	11.66%
Debt service as a percentage of noncapital expenditures										

FLORENCE COUNTY, SOUTH CAROLINA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Fee in Lieu of Tax	Franchise Fees	Accommodations Tax	Total
1997	\$ 11,572,630	\$ 8,922,298	\$ 263,295	\$ 180,431	\$ 440,528	\$ 21,379,082
1998	11,587,722	8,980,527	702,145	191,532	445,060	21,906,986
1999	11,402,750	9,802,909	919,022	205,406	428,966	22,859,053
2000	14,864,339	9,817,517	1,691,909	20,107	396,175	26,790,047
2001	14,679,146	10,342,730	1,806,628	365,847	1,507,344	28,701,695
2002	15,704,012	10,291,069	1,763,201	255,037	1,463,518	29,476,837
2003	18,388,044	10,325,244	1,745,474	460,488	1,481,894	32,401,144
2004	18,324,940	10,795,228	1,624,918	496,033	1,370,859	32,611,978
2005	17,987,432	11,150,944	1,626,194	356,341	1,620,143	32,741,054
2006	18,367,671	11,994,857	1,629,715	554,907	1,614,660	34,161,810

FLORENCE COUNTY, SOUTH CAROLINA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Non-Manu- facturing Personal	Non-Manu- facturing Real	Manu- facturing Personal and Real	Less:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
				Tax Exempt Property	Manufacturing				
1997	\$ 66,913,835	\$ 139,972,747	\$ 141,305,361	\$ 37,080,284	\$ 311,111,659	\$ 68.90	\$ 4,533,540,788	7.68%	
1998	\$ 71,743,882	\$ 145,508,958	\$ 119,672,504	\$ 27,797,357	\$ 309,127,987	\$ 68.90	\$ 4,584,280,988	7.35%	
1999	\$ 71,885,305	\$ 148,853,865	\$ 109,759,898	\$ 24,255,869	\$ 306,243,199	\$ 64.50	\$ 4,604,632,369	7.18%	
2000	\$ 85,502,852	\$ 200,934,877	\$ 106,330,686	\$ 23,324,278	\$ 369,444,137	\$ 64.50	\$ 5,817,934,438	6.75%	
2001	\$ 94,334,679	\$ 206,331,852	\$ 106,334,826	\$ 22,947,673	\$ 384,053,684	\$ 64.50	\$ 6,027,642,513	6.75%	
2002	\$ 85,521,813	\$ 210,621,959	\$ 93,480,725	\$ 12,899,770	\$ 376,724,727	\$ 69.50	\$ 6,052,095,341	6.44%	
2003	\$ 80,118,648	\$ 217,688,421	\$ 89,033,261	\$ 11,012,180	\$ 375,828,150	\$ 70.00	\$ 6,176,758,865	6.26%	
2004	\$ 77,901,350	\$ 223,070,997	\$ 86,815,432	\$ 10,439,940	\$ 377,347,839	\$ 70.00	\$ 6,176,758,865	6.28%	
2005	\$ 74,195,939	\$ 227,563,167	\$ 90,850,878	\$ 12,384,860	\$ 380,245,124	\$ 67.80	\$ 6,436,102,557	6.10%	
2006	\$ 71,126,584	\$ 259,255,734	\$ 88,083,240	\$ 11,717,650	\$ 406,747,908	\$ 67.80	\$ 7,084,411,015	5.91%	

Source: Florence County Auditor's Office

Note: Property in the county is reassessed every five years. The county appraises property at estimated actual taxable value and then applies the appropriate assessment rate based on the class of property. Tax rates are per \$1,000 of assessed value.

**FLORENCE COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
COUNTY (WIDE) TAX RATES										
General County	27.2	28.0	28.0	28.0	28.0	28.0	28.0	29.9	29.9	29.9
Jail	30.5	31.5	31.5	31.5	30.5	30.5	36.5	39.0	39.0	39.0
Emergency Management	4.9	5.0	5.0	5.0	6.0	6.0	-	-	-	-
Florence-Darlington Technical College	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.8	3.8	3.8
County Library	4.7	5.0	5.0	5.0	-	-	-	-	-	-
Senior Citizens Center	0.5	0.5	0.5	-	-	-	-	-	-	-
SPECIAL DISTRICTS-FIRE TAX RATES										
Florence Rural Fire District	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Howe Springs Fire District	11.9	12.7	10.0	9.0	10.0	10.0	9.0	11.0	11.0	10.0
South Lynches Fire District	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Sardis-Timmons Fire District	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Johnsonville Rural Fire District	26.2	25.0	24.4	23.0	22.0	18.0	17.0	13.0	14.0	14.0
Hannah-Salem Friendfield	23.0	23.0	23.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
SCHOOL DISTRICT TAX RATES										
Florence - School District #1	156.6	162.0	158.2	145.6	123.3	113.4	111.2	109.9	105.2	103.7
Pamplico - School District #2	218.2	212.3	188.8	187.2	174.3	167.6	169.7	190.8	156.2	117.0
Lake City - School District #3	163.3	158.3	152.9	151.4	142.0	132.5	141.6	131.8	128.5	129.3
Timmons Fire - School District #4	237.4	156.2	189.3	191.3	187.5	192.0	225.2	190.6	174.6	123.6
Johnsonville - School District #5	242.2	247.7	234.1	231.8	211.7	203.4	198.0	191.8	180.4	158.2
CITY TAX RATES										
Florence	54.9	60.8	60.8	60.8	60.8	60.8	60.8	68.4	68.4	68.4
Quincy	12.5	12.5	12.5	12.5	12.3	12.3	12.3	13.6	13.6	13.6
Pamplico	87.8	88.0	88.0	88.0	88.0	88.0	88.0	87.4	87.4	87.4
Lake City	165.9	165.9	165.9	150.3	150.3	150.3	150.3	150.3	142.0	142.0
Olanita	55.1	55.1	55.1	55.1	55.1	55.1	60.0	60.0	60.0	60.0
Timmons Fire	105.5	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Johnsonville	50.1	52.8	52.8	52.8	52.8	52.8	52.8	55.3	55.3	55.3
Coward	-	-	-	-	-	-	-	-	-	-
Scranton	-	-	-	-	-	-	-	-	-	-
SPECIAL TAX DISTRICT - OTHER										
Lynches Lake	19.3	19.4	19.4	19.4	19.4	10.0	10.0	10.0	10.0	10.0
Salem Polecat	16.5	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0

Source: Florence County Auditor's Office

Note: Overlapping rates are those of local and county governments that apply to property owners within Florence County. Not all overlapping rates apply to all Florence County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

**FLORENCE COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2006**

Taxpayer	2006			1997		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
Ianya Plastics	\$ 1,932,521	1	2.34%	\$ 4,574,993	1	9.90%
DHG of South Carolina	1,397,270	2	1.69%	663,053	8	1.43%
Bell South Communications	1,084,721	3	1.31%	898,543	7	1.94%
McLeod Regional Medical Center	755,150	4	0.92%	-	-	-
Smurfit/Stone Container Corporation	733,296	5	0.89%	2,284,940	2	4.94%
Wellman, Inc.	731,873	6	0.89%	1,547,767	3	3.35%
Maytag Corporation	696,196	7	0.84%	1,176,569	5	2.55%
Teijin/Dupont	629,504	8	0.76%	1,305,322	4	2.82%
Byrd Properties	591,302	9	0.72%	-	-	-
General Electric	432,607	10	0.52%	360,213	9	0.78%
Carolina Power and Light	-	-	-	945,559	6	2.05%
GTE South, Inc.	-	-	-	266,057	10	0.58%
Totals	\$ 8,984,440		10.89%	\$ 14,023,016		30.35%

Source: Florence County Auditor's Office

FLORENCE COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Susequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 46,211,267	\$ 45,065,624	97.52%	\$ 771,575	\$ 45,837,199	99.19%
1998	\$ 48,229,745	\$ 47,070,746	97.60%	\$ 824,662	\$ 47,895,408	99.31%
1999	\$ 50,833,725	\$ 49,519,970	97.42%	\$ 822,428	\$ 50,342,398	99.03%
2000	\$ 59,170,642	\$ 57,391,744	96.99%	\$ 1,193,420	\$ 58,585,164	99.01%
2001	\$ 59,942,898	\$ 57,936,662	96.65%	\$ 1,344,170	\$ 59,280,832	98.90%
2002	\$ 62,375,147	\$ 60,107,099	96.36%	\$ 1,501,591	\$ 61,608,690	98.77%
2003	\$ 71,845,588	\$ 69,220,745	96.35%	\$ 1,633,661	\$ 70,854,406	98.62%
2004	\$ 73,988,999	\$ 71,295,252	96.39%	\$ 1,586,509	\$ 72,881,761	98.53%
2005	\$ 76,747,871	\$ 74,031,016	96.46%	\$ 1,643,448	\$ 75,674,464	98.60%
2006	\$ 82,509,229	\$ 79,705,936	96.60%	\$ -	\$ 79,705,936	96.60%

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Water Bonds	Sewer Bonds				
1997	\$ 1,792,506	\$ 38,700,000	\$ -	\$ 5,392,218	\$ 1,171,990		\$47,056,714	1.79%	\$ 378
1998	1,533,205	37,280,000	-	5,589,237	1,075,004		45,477,446	1.68%	364
1999	1,251,581	35,790,000	-	10,005,205	-		47,046,786	1.68%	376
2000	6,988,298	34,220,000	-	10,000,000	-		51,208,298	1.71%	408
2001	8,225,015	32,650,000	-	9,925,000	-		50,800,015	1.63%	404
2002	8,000,734	30,830,000	-	9,775,000	-		48,605,734	1.50%	384
2003	17,421,430	29,515,000	2,034,399	-	-		48,970,829	1.48%	385
2004	15,462,044	27,290,000	2,345,338	-	-		45,097,382	N/A	351
2005	12,835,605	24,985,000	2,357,242	-	-		40,177,847	N/A	310
2006	12,042,944	22,600,000	1,839,455	-	-		36,482,399	N/A	278

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on page 189 for personal income and population data.
N/A - Information on Personal Income not available

FLORENCE COUNTY, SOUTH CAROLINA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 28,024,035	100.00%	\$ 28,024,035
Subtotal, overlapping debt			<u>28,024,035</u>
Florence County, South Carolina direct debt			<u>36,482,399</u>
Direct and overlapping debt			<u>\$ 64,506,434</u>

Sources: assessed value data used to estimate applicable percentages provided by the Florence County Auditor's Office. Debt outstanding provided by the Florence County Treasurer's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Florence County, South Carolina. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

All of the overlapping debt is issued by either school districts or municipalities whose geographic boundaries are wholly contained within the geographic boundary of the county. Therefore, the county's share of the overlapping debt is 100%.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	\$ 24,888,933	\$ 24,730,239	\$ 24,499,456	\$ 29,555,531	\$ 30,724,295	\$ 30,137,978	\$ 30,066,252	\$ 30,187,827	\$ 30,419,610	\$ 32,539,833
Total net debt applicable to limit	<u>1,055,000</u>	<u>1,533,305</u>	<u>1,251,581</u>	<u>6,988,298</u>	<u>8,082,813</u>	<u>8,000,735</u>	<u>17,421,430</u>	<u>15,462,044</u>	<u>12,835,605</u>	<u>12,042,944</u>
Legal debt margin	<u>\$ 23,833,933</u>	<u>\$ 23,196,934</u>	<u>\$ 23,247,875</u>	<u>\$ 22,567,233</u>	<u>\$ 22,641,482</u>	<u>\$ 22,137,243</u>	<u>\$ 12,644,822</u>	<u>\$ 14,725,783</u>	<u>\$ 17,584,005</u>	<u>\$ 20,496,889</u>
Total net debt applicable to the limit as a percentage of debt limit	4.24%	6.20%	5.11%	23.64%	26.31%	26.55%	57.94%	51.22%	42.20%	37.01%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	\$ 395,030,258
Add back: exempt manuf. property	\$ 11,717,650
Total assessed value	<u>\$ 406,747,908</u>
Debt limit (8% of total assessed value)	32,539,833
Debt applicable to limit:	
General obligation bonds	12,042,944
Total net debt applicable to limit	<u>12,042,944</u>
Legal debt margin	<u>\$ 20,496,889</u>

**FLORENCE COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	(1) Personal Income (amounts expressed in thousands)	(1) Per Capita Personal Income	(2) Unemployment Rate
1997	124,446	\$ 2,633,402	\$ 21,161	5.6%
1998	124,904	2,711,166	21,706	4.5%
1999	125,252	2,792,619	22,296	5.5%
2000	125,600	2,988,652	23,795	4.7%
2001	125,761	3,115,226	24,771	5.8%
2002	126,607	3,244,811	25,629	7.0%
2003	127,237	3,319,359	26,088	8.1%
2004	128,335	3,511,117	27,359	8.8%
2005	129,679	N/A	N/A	8.4%
2006	131,097	N/A	N/A	8.5%

Data sources:

- (1) South Carolina Budget and Control Board - Office of Research and Statistics
- (2) South Carolina Employment Security Commission

N/A Not available

FLORENCE COUNTY, SOUTH CAROLINA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND SIX YEARS AGO (1)

Employer	2006			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
McLeod Regional Medical Center	4,375	1	7.06%	3,900	1	6.43%
Florence School District One	1,718	2	2.77%	1,800	3	2.97%
Palmetto Gov't Benefits/TRICARE	1,600	3	2.58%	1,850	2	3.05%
Honda of South Carolina	1,553	4	2.51%	-	-	-
Carolinas Hospital System	1,400	5	2.26%	1,800	4	2.97%
Washington Mutual	1,150	6	1.86%	784	9	1.29%
Wellman, Inc.	1,100	7	1.78%	1,335	5	2.20%
Florence County	898	8	1.45%	650	10	1.07%
Nan Ya Plastics	889	9	1.43%	840	8	1.38%
ESAB Welding and Cutting	850	10	1.37%	1,008	6	1.66%
Amana Refrigeration	-	-	-	855	7	1.41%
Total	15,533		25.06%	14,822		24.44%

(1) Most recent available information is for 2000

Source: Florence County Economic Development Partnership

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

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government	210	216	226	245	258	262	264	267	276	284
Public safety	224	234	247	258	259	267	265	264	267	274
Economic and physical development	3	3	3	3	4	5	4	4	4	4
Public works	47	50	48	47	48	49	49	49	49	49
Health	52	61	61	75	76	79	79	79	79	82
Culture and recreation	40	40	41	42	48	48	48	130	141	156
Utility System	12	11	13	13	15	15	15	-	-	-
Landfill	11	10	10	10	10	-	-	-	-	-
911 System	2	2	2	1	1	3	3	3	2	2
Total	601	627	651	694	719	728	727	796	818	851

Source: Florence County Budget

Notes: In 1998 and 2000 there were expansions of the County's emergency medical system.

In 2004 the County took over operation of the City of Florence athletic programs and sold the utility system to the City of Florence.

In 2002 the County closed its municipal solid waste landfill and contracted to have this waste hauled out of the County.

FLORENCE COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public safety										
Jail average daily population	373	406	376	370	379	409	415	391	411	472
911 calls dispatched	N/A	N/A	N/A	N/A	104,707	110,415	147,377	150,560	147,964	172,934
Public works										
Road miles plowed	N/A	N/A	N/A	N/A	N/A	14,632	14,154	14,567	15,301	14,716
Feet of pipe installed	N/A	N/A	N/A	N/A	N/A	6,316	6,242	5,462	6,796	4,098
Signs installed/repaired	N/A	N/A	N/A	N/A	N/A	1,657	2,049	1,859	2,442	2,563
Health										
EMS transports	N/A	N/A	N/A	N/A	N/A	9,149	8,930	9,097	9,444	9,678

Source: Various governmental departments
Note: Indicators are not available for the general government function

N/A - Not available

FLORENCE COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public safety										
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Maximum jail bed capacity	520	520	520	520	520	520	520	520	520	520
Public works										
Road miles	N/A	N/A	N/A	N/A	N/A	604.2	606.2	614.6	618.3	622.5
Health										
EMS stations	2	2	2	4	4	4	4	4	4	4
Ambulances	7	7	7	11	11	11	11	11	11	11
Culture and recreation										
Libraries	1	1	1	1	1	2	2	2	2	2
Acres of parks	16.9	16.9	16.9	16.9	16.9	49.2	653.1	658.7	696.6	696.6

Source: Various governmental departments
Note: No capital asset indicators are available for the general government function.

In 2003, ownership of Lynches River Park was transferred to the County by the State of South Carolina.

N/A: Not available



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Council
Florence County, South Carolina
Florence, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Florence County, South Carolina, as of and for the year ended June 30, 2006, which collectively comprise Florence County's basic financial statements and have issued our report thereon dated December 15, 2006. We did not audit the financial statements of the Florence City-County Complex Building Commission. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Florence City-County Complex Building Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Florence County, South Carolina's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

To the County Council
Florence County, South Carolina
Page 2

Compliance and Other Matters

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

We noted certain matters that we reported to management of Florence County, South Carolina in a separate letter dated December 15, 2006.

This report is intended solely for the information and use of the County Council, management, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAS, LLC
Certified Public Accountants

December 15, 2006
Augusta, Georgia

Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS
Augusta, Georgia Office

Thomson, Georgia Office

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Council
Florence County, South Carolina
Florence, South Carolina

Compliance

We have audited the compliance of Florence County, South Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Florence County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Florence County, South Carolina's management. Our responsibility is to express an opinion on Florence County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Florence County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Florence County, South Carolina's compliance with those requirements.

In our opinion, Florence County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Florence County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Florence County, South Carolina's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the County Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAS, LLC
Certified Public Accountants

December 15, 2006
Augusta, Georgia

FLORENCE COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2006

Program/ Grant	Grant Agency	Grant Number	Federal CFDA Number	Total Grant/ Loan Amount	Program/Grant Revenue			Program/Grant Expenditures						
					Cash Receipts	Matching and Program Receipts	Less: Beginning (Deferred) Receivable	Add: Ending (Deferred) Receivable	Revenue	Cash Disbursements	Less: Beginning Accrual	Add: Ending Accrual	Expenditures	
Federal Assistance														
Department of Agriculture														
Passed Through South Carolina Forestry Commission														
Urban & Community Forestry	SC Forestry	2005U14	10.664	5,000	-	6,128	-	5,000	11,128	11,128	-	-	-	11,128
Total Department of Agriculture														
Department of Transportation														
Mass Transit	SCDOT	MT-5H203	20.505	48,925	10,609	-	-	3,985	14,594	14,594	-	-	-	14,594
HMEP Planning	S.C. Emergency Prep. Division	HMES-5042130	20.703	3,160	2,432	-	-	1,492	3,924	3,924	-	-	1,492	3,924
Bicycle Study	SCDOT	29160	20.203	80,000	26,975	20,050	-	-	47,025	47,025	-	-	-	47,025
Total Department of Transportation														
Department of Homeland Security														
Passed Through SC Emergency Preparedness Division														
GIS-Based Land Inventory	S.C. Emergency Prep. Division	EMA2003-5341	83.557	50,000	18,889	16,805	20,640	-	15,054	20,004	4,950	-	-	15,054
EMPG	S.C. Emergency Prep. Division	6EMPG01	97.042	21,744	7,096	-	-	7,781	14,877	14,877	-	-	-	14,877
EMPG	S.C. Emergency Prep. Division	5EMPG01	97.067	24,051	24,051	8,766	15,408	-	17,409	17,409	-	-	-	17,409
Passed Through State Law Enforcement Division														
County Homeland Security	SLED	5SHSP21	97.067	288,946	165,205	-	-	54,522	219,727	214,728	-	-	4,999	219,727

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2006

Program/ Grant	Grant Agency	Grant Number	Federal CFDA Number	Total Grant/ Loan Amount	Program/Grant Revenue				Program/Grant Expenditures				
					Cash Receipts	Matching and Program Receipts	Less: Beginning (Deferred) Receivable	Add: Ending (Deferred) Receivable	Revenue	Cash Disbursements	Less: Beginning Accrual	Add: Ending Accrual	Expenditures
Law Enforcement terrorist Prevention	SLED	5LETP21	97.067	67,656	26,811	-	-	38,575	65,386	61,832	-	3,554	65,386
County Homeland Security	SLED	4SHSP54	97.004	346,581	283,154	33,048	153,121	-	163,081	257,540	94,459	-	163,081
Law Enforcement terrorist Prevention	SLED	4LETP26	97.004	57,708	54,806	-	26,422	-	28,384	31,967	3,583	-	28,384
Total Department of Homeland Security					580,012	58,619	215,591	100,878	523,918	618,357	102,992	8,553	523,918
Department of Health & Human Services													
Child Support Enforcement Program	SCDSS	C50021C	93.563	339,966	27,032	-	27,032	-	-	9,054	9,054	-	-
Child Support Enforcement Program Service of Process	SCDSS	C50067C	93.563	43,877	4,739	-	4,739	-	-	4,022	4,022	-	-
Child Support Enforcement Program Service of Process	SCDSS	C60067C	93.563	57,585	53,345	27,481	-	4,241	85,067	83,837	-	1,230	85,067
Child Support Enforcement Program	SCDSS	C60021C	93.563	357,343	332,772	171,428	-	24,571	528,771	519,796	-	8,975	528,771
County Expense Reimbursement	SCDSS	-	93.667	128,372	128,372	-	-	-	128,372	128,372	-	-	128,372
Total Department of Health and Human Services					546,260	198,909	31,771	28,812	742,210	745,081	13,076	10,205	742,210
Department of Justice:													
E. Byrnes JAG	USDOJ	2005-DJ- BX-0739	16.738	60,810	55,345	-	-	-	55,345	55,345	-	-	55,345
Drug Court	USDOJ	2003-DC- BX-0032	16.585	499,697	181,414	-	64,029	40,741	158,126	157,285	8,237	9,078	158,126

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2006

Program/ Grant	Grant Agency	Grant Number	Federal CFDA Number	Total Grant/ Loan Amount	Program/Grant Revenue				Program/Grant Expenditures				
					Cash Receipts	Matching and Program Receipts	Less: Beginning (Deferred) Receivable	Add: Ending (Deferred) Receivable	Revenue	Cash Disbursements	Less: Beginning Accrual	Add: Ending Accrual	Expenditures
Passed Through State Department of Public Safety													
Delinquency Prevention	SCDPS	1J04003	16.540	10,369	8,295	-	5,261	-	3,034	4,139	1,105	-	3,034
School Resource Officer	SCDPS	1D05008	16.579	36,696	31,894	-	-	10,358	42,252	40,997	-	1,255	42,252
Magistrate	SCDPS	1D04024	16.579	19,937	-	-	-	-	-	42	42	-	-
School Resource Officer	SCDPS	1D04049	16.579	60,618	-	9,837	9,837	-	-	1,248	1,248	-	-
OCA Mental Health	SCDPS	1V02124	16.575	36,000	27,864	8,462	23,277	-	13,049	35,422	22,373	-	13,049
Victim Advocate	SCDPS	1V05080	16.575	37,714	37,714	7,883	10,547	-	35,050	36,340	1,290	-	35,050
School Resource Officer	SCDPS	1JS03006	16.523	44,657	-	-	-	-	-	42	42	-	-
Local Law Enforcement Block Grant	Dept. of Justice/BJA	2003LBBX 1303	16.592	88,732	-	(70)	(434)	-	364	364	-	-	364
Local Law Enforcement Block Grant	Dept. of Justice/BJA	2004LBBX 0400	16.592	44,236	-	-	(24,151)	(631)	23,520	23,520	-	-	23,520
Total Department of Justice					342,526	26,112	88,366	50,468	330,740	354,744	34,337	10,333	330,740
Total Federal Assistance					1,508,814	309,818	335,728	190,635	1,673,539	1,793,361	150,405	30,583	1,673,539
State Assistance:													
Used Oil	SCDHEC	21W006		5,682	1,535	-	-	105	1,640	1,640	-	-	1,640
Local Paving	SCDOT	35134		279,150	252,740	-	-	-	252,740	252,740	-	-	252,740
Library State Aid	State	FY 06		251,522	251,522	3,115,803	-	-	3,367,325	3,238,613	-	128,712	3,367,325

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2006

Program/ Grant	Grant Agency	Grant Number	Federal CFDA Number	Total Grant/ Loan Amount	Program/Grant Revenue				Program/Grant Expenditures				
					Cash Receipts	Matching and Program Receipts	Less: Beginning (Deferred) Receivable	Add: Ending (Deferred) Receivable	Revenue	Cash Disbursements	Less: Beginning Accrual	Add: Ending Accrual	Expenditures
Local Paving	SCDOT	35270		62,502	61,639	-	-	-	61,639	61,639	-	-	61,639
Local Paving	SCDOT	35497		47,408	47,408	-	-	-	47,408	47,408	-	-	47,408
Local Paving	SCDOT	34005		92,028	70,656	-	70,656	-	70,656	70,656	70,656	-	-
Florence County Transportation Commission	SCDOT			40,257	-	-	(33,989)	(31,334)	2,655	2,655	-	-	2,655
EMS GIA	SCDHEC	EM-5-368		21,345	-	-	-	-	315	315	315	-	-
Florida Way	Coordinating Council for Economic Development	1652		2,000,000	-	35,200	(8,153)	(4,597)	38,756	39,921	1,165	-	38,756
Life Care Camp	SCDPS	1W05029		5,770	4,088	-	589	-	3,499	3,536	37	-	3,499
Dee Dee Commerce Center	Coordinating Council for Economic Development	1633		1,700,000	303,373	-	303,373	-	-	303,373	303,373	-	-
FH	Coordinating Council for Economic Development	1691		223,993	-	42,161	16,205	-	25,956	62,388	36,432	-	25,956
QVC	Coordinating Council for Economic Development	S1726		2,350,000	442,920	-	-	(319,481)	123,439	118,439	-	5,000	123,439
Lake City Library	State Library			750,000	-	-	(112,877)	(90,297)	22,580	27,364	5,515	731	22,580
EMS GIA	SCDHEC	EM-6-365		1,746	1,720	-	-	-	1,720	1,720	-	-	1,720
Staying Connected	State Library			7,583	-	-	-	-	-	1,945	1,945	-	-
Library Computer Technology	Lottery			90,904	-	-	(27,355)	-	27,355	27,355	-	-	27,355

FLORENCE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2006

Program/ Grant	Grant Agency	Grant Number	Federal CFDA Number	Total Grant/ Loan Amount	Program/Grant Revenue				Program/Grant Expenditures				
					Cash Receipts	Matching and Program Receipts	Less: Beginning (Deferred) Receivable	Add: Ending (Deferred) Receivable	Revenue	Cash Disbursements	Less: Beginning Accrual	Add: Ending Accrual	Expenditures
Special Lottery	State Library			50,000	-	-	(9,249)	-	9,249	11,541	2,292	-	9,249
Waste Oil	SCDHEC	21W005		26,505	51	-	51	-	-	-	-	-	-
MS GIA	SCDHEC	EM-6-596		32,530	32,530	7,385	-	-	39,915	39,788	-	127	39,915
Total State Assistance					1,470,182	3,200,549	199,251	(445,604)	4,025,876	4,313,036	421,730	134,570	4,025,876
Total Federal and State Assistance					2,978,996	3,510,367	534,979	(254,969)	5,699,415	6,106,397	572,135	165,153	5,699,415

**FLORENCE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006**

I. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of Florence County, South Carolina.
- B. Our audit of the financial statements disclosed no material weaknesses in internal controls over financial reporting.
- C. Our audit of the financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the general purpose financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the County's major programs disclosed no material weaknesses in internal controls over compliance.
- E. An unqualified opinion was issued on Florence County, South Carolina's compliance with the types of compliance requirements applicable to its major federal programs.
- F. Our audit disclosed no audit findings which relate to the federal and state awards which are required to be reported.
- G. Major federal programs for Florence County, South Carolina for the fiscal year ended June 30, 2006 are:

<u>Program Name</u>	<u>CFDA#</u>
Homeland Security Grant Program	97.067

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

II. Findings Related to the audit of the Financial Statements of Florence County, South Carolina

There were no findings noted for the year ended June 30, 2006, which are required to be reported in accordance with *Government Auditing Standards*.

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

There were no findings noted for the year ended June 30, 2006, which are required to be reported under OMB Circular A-133 criteria.

FLORENCE COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2006

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Florence County, South Carolina and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Non-cash Awards

Florence County, South Carolina, did not receive any non-cash federal awards during the year ended June 30, 2006.

FLORENCE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2006

There were no audit findings reported for the year ended June 30, 2005, which require a response for the year ended June 30, 2006.