

GEORGETOWN COUNTY WATER AND SEWER DISTRICT

FINANCIAL REPORT

JUNE 30, 2009

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
INDEX
YEARS ENDED JUNE 30, 2009 AND 2008**

	Page
INTRODUCTORY SECTION	
PRINCIPAL OFFICIALS	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2 - 15
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	16
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS	17
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	18 - 19
STATEMENTS OF CASH FLOWS	20
NOTES TO FINANCIAL STATEMENTS	21 - 31
REQUIRED SUPPLEMENTARY INFORMATION	
OTHER POSTEMPLOYMENT BENEFITS - DEFINED BENEFIT HEALTH CARE PLAN - SCHEDULE OF FUNDING PROGRESS	32
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENSES BY SYSTEM	33 - 35
SCHEDULE OF REVENUES AND EXPENSES BY INDIVIDUAL WATER AND WASTE WATER SYSTEM	36 - 37
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE	38 - 43
SCHEDULE OF INSURANCE IN FORCE	44
WEST GEORGETOWN INTERCEPTOR TRUE-UP CALCULATION	45

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2009**

BOARD OF DIRECTORS

	<u>Position</u>	<u>Term Expires</u>
William J. Schwartzkopf	Chairman	8/15/2011
Louis R. Morant	Vice Chairman	8/15/2011
James B. Wilkie	Secretary	8/15/2011
James H. Dunn	Assistant Secretary	8/15/2015
Arthur H. Lachicotte, Jr.	Member	8/15/2013
Jimmy E. Rowe	Member	8/15/2013
Chester Maslowski	Member	8/15/2015

OTHER OFFICIALS

Robert E. Barker	Executive Director
Larry Dickerson	Assistant Executive Director
John F. Buck, CPA	Finance and Administration Services Director
Tommie Kennedy	Engineering Director
Edward A. Bodiford, P.E.	Special Projects Engineer
Brad Corkum	Operations Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents management's analysis of the District's financial condition and activities for the fiscal year ended June 30, 2009. This information should be read in conjunction with the financial statements.

Financial Highlights

Management believes the District's financial condition remains strong as a result of the mid-year budget adjustment completed in FY 2009, and the long-term financial changes implemented. The District is well within its debt covenants and the more stringent financial policies and guidelines set by the Board. The following are financial highlights for Fiscal Year 2009.

- Total assets at year-end were \$147.0 million and exceeded liabilities in the amount of \$116.2 million (i.e. net assets). Of the total net assets, \$2.4 million was unrestricted and was available to support short-term operations. For the years ended June 30, 2009 and 2008 total assets decreased \$.6 million and increased \$1.8 million respectively, net assets increased \$1.0 million and \$1.4 million respectively, while unrestricted net assets increased \$.1 million in 2009 compared to a \$1.0 million decrease in 2008.
- Debt service coverage, including capital contributions (impact fees and contributed capital improvements) was 165%, exceeding the 120% required by the District's bond covenants.
- For fiscal year 2009, the District delivered 1,682 million gallons of water and treated 1,427 million gallons of wastewater, compared to 1,832 million gallons of water and 1,472 million gallons of wastewater in 2008.
- Operating revenues were \$11.6 million, a decrease from year 2008 in the amount of \$.9 million or (6.8%). Total operating revenues were \$845,423 or 6.8% under budget projections for 2009.
- While operating revenues decreased, simultaneously, operating expenses decreased \$.2 million or (1.2%), from 2008, and was \$.7 million or 4.9% under the budget expectations. These reductions were a result of mid-year budget adjustments. Depreciation increased 4.1% from the prior year.
- Ratios of total operating revenues to total operating expenses were .88 and .93 for 2009 and 2008 respectively.
- During 2009, the District added 168 new customers resulting in 218 additional wastewater residential equivalent units. During the same time water residential equivalents were reduced by 437 units.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the District's strategic plan, budget, bond resolutions and other management tools were used for this analysis.

The financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities. The financial statements include a balance sheet, a statement of revenues, expenses, and changes in net assets, a statement of cash flows, and notes to the financial statements.

The **balance sheet** presents the financial position of the District on a full accrual historical cost basis. The balance sheet presents information on all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases and decreases in net assets are one indicator of whether the financial position of the District is improving or deteriorating.

While the balance sheet provides information about the nature and amount of resources and obligations at year-end, the **statement of revenues, expenses, and changes in net assets** presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the 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 the related cash flows. This statement also provides certain information about the District's recovery of its costs. Rate setting policies use different methods of cost recovery fully provided for by generally accepted accounting standards. The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

The **statement of cash flows** presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The **notes to the financial statements** provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information detailing

revenues and expenses by systems, debt service requirements and insurance follows the notes to the financial statements.

The financial statements were prepared by the District's staff from the detailed books and records of the District. The financial statements were audited and adjusted, if material, during the independent external audit process.

Summary of Organization and Business

The District is a Special Purpose District. It was created pursuant to provisions of Act 733 enacted during the 1967 Session of the General Assembly of the State of South Carolina as a body politic and corporate. The principal functions of the District are to acquire supplies of fresh water capable of being used for industrial and domestic purposes, to distribute such water for industrial and domestic use within its service area and to build, acquire, construct, operate and maintain such sewerage treatment and collection facilities as the District deems necessary. The service area of the District includes all of the area in Georgetown County except those areas within the incorporated boundaries of the Town of Andrews and the City of Georgetown. It is located in the northeastern portion of the State of South Carolina, bordered by the Atlantic Ocean, Horry, Charleston and Williamsburg Counties.

The District has no taxing power. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded by capital (cash and systems) contributions from customers, including other utilities and developers, Federal and State grants and loans, and customer revenues.

The District, Town of Andrews, City of Georgetown, and Georgetown County formed and entered into the West Georgetown County Regional Wastewater Partnership in 1997. The Partnership has completed construction of a regional wastewater treatment and transmission system and has completed the third year of operation of the regional wastewater collection, treatment, and disposal system serving residents, businesses and industries in the underdeveloped and predominantly rural western sector of Georgetown County. The Partnership provides the District with 4.05 million gallons per day of sewer capacity in the expanded City of Georgetown wastewater treatment plant. This additional District sewer treatment capacity and the 18-mile wastewater transmission system connecting the Town of Andrews' system to the City of Georgetown's system, provides the District with substantial wastewater collection and treatment capability for the County's western area.

Local Economy

Georgetown County has been deeply affected by the recent economic downturn. In the past year, economic development and growth have stabilized, unemployment has increased from 7.6% to 12.1%, and one of the County's largest employers, Georgetown Steel, has closed. Georgetown County retains significant economic assets, however. Located within the "Grand Strand", South Carolina's leading tourism attraction, Georgetown County enjoys a significant share of the state's tourism economy. Additional Georgetown County economic assets include the Georgetown County Business Park, Airport Industrial Park, American Gypsum, 3V Chemical and International Paper Company Plant. The International Port of Georgetown, as a key port location within the South Carolina Ports Authority, annually handles over one (1) million tons of bulk cargo from Latin America, Europe, and Asia. While for 2009, shipping tonnage was much less than 2008 and 2007, the Ports Authority has recently announced that two new industries will be locating in Georgetown County that will add new jobs and significantly increase port tonnage. The Georgetown County Airport, with a 5,999 foot runway provides the County with aviation services. The County is provided road and highway transportation by U.S. 17 (Myrtle Beach to Charleston), U.S. 17A (to I-26 & I 95 S), U.S. 701 (North Carolina to Georgetown), and U.S. 521 (to I-95 N).

Although, the District did not see the historical steady growth in the number of customers served in the past year, the financial position of the District remains relatively strong. The careful planning in past years for providing services as needed and designing plants and distribution systems to be expanded as required has served the District well. The debt coverage ratio remains well above bond requirements. The District was able to reduce budgeted expenses sufficiently to end the year with an increase in net assets. Restricted asset funds for the purpose of maintaining and improving the system remain adequately funded.

System capacity remains more than adequate to manage expected growth as the economy improves. With the completion of the new wastewater collection and transmission system in western Georgetown County, and the treatment and disposal capacity increase in the West Georgetown County Regional Wastewater Treatment System, the District is poised to join in leading the development of the undeveloped rural western area of Georgetown County. Also, the County's eastern coastal area water and wastewater infrastructure has recently been upgraded by the District to meet that area's 20-year needs in fresh potable drinking water and environmentally sound wastewater collection and treatment. The Pawleys Wastewater Treatment Plant was expanded from 4.13 million gallons per day to 5.50 million gallons per day.

Development projects either in the planning stages or with construction in progress will significantly impact the District's customer base revenue stream in the near future. These development and District initiated projects include:

- Waverly Creek Estates
 - 47 Lot Single Family Development
- Mariner's Walk (Formerly Overlook of Harrelson Tract & Riverview Plantation)
 - 350 Lot Single Family Development
- Woodlawn Plantation Phase II
 - 7 Lot Single Family Development
- Boathouse Village
 - 11 Lot Single Family Development
- Murrells Cove
 - 48 Lot Single Family Development
- Tuckers Woods Phase II
 - 18 Lot Single Family Development
- Pawleys Business Commons
 - 14 Unit Commercial Development
- Harmony Township Phase 2A
 - 34 Lot Single Family Development
- Harmony Township Phase 2C
 - 8 Lot Single Family Development
- Harmony Township Phase 2D
 - 135 Lot Single Family Development
- Harmony Township Phase 2D-2
 - 49 Lot Single Family Development
- The Colony
 - 34 Lot Single Family Development
- Oyster Bay
 - 30 Unit Multi-Family Development

- Burns Tract
 - 15 Lot Single Family Development
- Sampit Subdivision
 - 1,000 Lot Single Family Development
- Historic Waverly Mills
 - 9 Lot Single Family Development
- Greenfield Plantation
 - 65 Lot Single Family Development
- Yauhannah Landing
 - 70 Lot Single Family Development
- River House
 - 400 Lot Single Family Development
- Murrells Inlet Village Condominiums
 - 35 Residential Units Plus Retail Space Development
- Peru Plantation
 - 23 Lot Single Family Development
- Cooper Farms
 - 96 Lot Single Family Development
- Summergate
 - 83 Lot Single Family Development

Georgetown County Water & Sewer District capital improvement projects planned and budgeted or completed in FY 2009 include:

- Pleasant Hill Water Improvements Project, Phase 1
 - Construction of the first phase to provide water services to approximately 800 residences.
- South Causeway Sewer Improvements Project
 - Construction of a sanitary sewer system to serve approximately 170 lots in the South Causeway community, Phase 1.
- Plantersville Community Sewer Improvements Project
 - Construction of a sanitary sewer system to serve the Plantersville community.

- Westvaco Sewer Improvements Project
 - Construction of a 16" sewer force main along U.S. Highway 17 to increase sewer capacity for the west Georgetown area.
- Arcadia ASR Project
 - Aquifer Storage Recovery well improvements to increase storage capacity in the Southern Wall Neck distribution system.
- Murrells Inlet Aquifer Storage and Recovery (ASR)
 - Conversion of existing well converted to ASR to improve water storage capacity in North Waccamaw Neck area.
- West Georgetown Water Treatment Plant
 - Design for 9 MGD water treatment plant serving Western Georgetown County water needs for period 2010 - 2030.
- Pawleys Island Area Wastewater Treatment Plant Expansion
 - Expansion of treatment capacity to 5.5 MGD.
- Yauhannah Well Upgrade
 - Increase well capacity from 185 gpm to 700 gpm.
- Highway 701 Pump Station
 - Wastewater pump station to provide additional capacity in West Georgetown.

The following comparative Condensed Financial Statement and other selected information serve as the key financial data and indicators for management, monitoring and planning.

CONDENSED FINANCIAL STATEMENTS

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET ASSETS

	<u>2009</u>	<u>2008</u>	Variance	
			<u>Increase (Decrease)</u>	<u>%</u>
			<u>\$</u>	<u>%</u>
Current Assets and Non-Current				
Restricted Assets	\$ 25,916,181	\$ 27,991,201	\$(2,075,020)	(7.4%)
Capital Assets				
Producing Assets	118,059,728	117,040,658	1,019,070	0.9%
Construction in Progress	<u>2,977,839</u>	<u>2,541,770</u>	<u>436,069</u>	<u>17.2%</u>
Total Assets	\$146,953,748	\$147,573,629	\$(619,881)	(0.4%)
Current Liabilities	2,698,976	4,397,973	\$ (1,698,997)	(38.6%)
Long Term Liabilities	<u>28,011,072</u>	<u>27,936,858</u>	<u>74,214</u>	<u>0.3%</u>
Total Liabilities	\$ 30,710,048	\$ 32,334,831	\$ (1,624,783)	(5.0%)
Net Assets:				
Net Invested in Capital Assets, Net of Related Debt	\$ 93,980,763	\$ 91,069,330	\$2,911,433	3.2%
Restricted for Capital Activity and Debt Service	19,616,488	21,887,641	(2,271,153)	(10.4%)
Unrestricted	<u>2,646,449</u>	<u>2,281,827</u>	<u>364,622</u>	<u>16.0%</u>
Total Net Assets	\$116,243,700	\$115,238,798	\$1,004,902	0.9%
Total Liabilities & Net Assets	\$146,953,748	\$147,573,629	\$ (619,881)	(0.4%)

**CONDENSED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS**

			Variance	
	<u>2009</u>	<u>2008</u>	Increase (Decrease)	
			<u>\$</u>	<u>%</u>
REVENUES				
Water Service Revenues	\$ 4,868,164	\$ 5,472,292	\$(604,128)	(11.0%)
Wastewater Service Rev.	5,013,961	5,253,533	(239,572)	(4.6%)
Other Revenues	<u>1,749,348</u>	<u>1,760,693</u>	<u>(11,345)</u>	<u>(0.6%)</u>
Total Operating Revenues	\$11,631,473	\$12,486,518	\$(855,045)	(6.8%)
EXPENSES:				
Operating before Depr.				
Water Operations	\$3,297,414	\$ 3,234,594	\$ 62,820	1.9%
Wastewater Operations	3,165,060	3,358,414	(193,354)	(5.8%)
General Billing & Collection&	1,923,883	2,145,786	(221,903)	(10.3%)
Engineering				
Depreciation	<u>4,846,912</u>	<u>4,656,904</u>	<u>190,008</u>	<u>4.1%</u>
Total Operating Expenses	\$13,233,269	\$13,395,698	\$(162,429)	(1.2%)
Operating Income	\$(1,601,796)	\$(909,180)	\$(692,616)	(76.2%)
Non-Operating Revenue (Expenses), Net	(942,071)	(1,179,160)	237,089	20.1%
Income Before Contributions	(2,543,867)	(2,088,340)	(455,527)	(21.8%)
Capital Contributions				
Government Grants	-	424	(424)	(100.0%)
Customer Impact Fees	254,764	1,087,754	(832,990)	(76.6%)
Assessments	1,234,356	89,294	1,145,062	1282.4%
Developer Contributions	<u>2,059,649</u>	<u>2,297,855</u>	<u>(238,206)</u>	<u>(10.4%)</u>
Total Capital Contributions	\$ 3,548,769	\$ 3,475,327	\$ 73,442	2.1%
Increase (Decrease) in Net Assets	\$ 1,004,902	\$ 1,386,987	\$(382,085)	(15.1%)
Beginning Net Assets	<u>115,238,798</u>	<u>113,851,811</u>	<u>1,386,987</u>	<u>27.5%</u>
Ending Net Assets	<u>\$116,243,700</u>	<u>\$115,238,798</u>	<u>\$1,004,902</u>	<u>0.9%</u>

SELECTED DATA FOR ANALYSIS

	<u>2009</u>	<u>2008</u>	Change	
			<u>Amount</u>	<u>%</u>
Employees at Year End	76	79	(3)	(3.8%)
Customers at Year End	20,501	20,333	168	0.8%
Water & Wastewater Residential Equivalent Units at Year End				
Water R.E.U.s	28,789	29,226	(437)	(1.5%)
Wastewater R.E.U.s	22,393	22,175	218	1.0%
Water Sales for Fiscal Year (millions of gallons)	1,682	1,832	(150)	(8.2%)
Wastewater Sales for Fiscal Year (millions of gallons)	1,427	1,472	(45)	(3.1%)
Per Average Employees				
Total Operating Revenues	\$ 153,109	\$ 158,057	(4,948)	(3.1%)
Total Operating Expenses	\$ 174,122	\$ 169,566	4,556	2.7%
Ratio of Operating Revenue to				
Operating Expenses	0.88	0.93	(0.053)	(5.7%)
Operating Expenses net of Depreciation	1.39	1.43	(0.041)	(2.9%)
Total Assets	0.08	0.08	(0.005)	(6.4%)
Debt Related Ratios				
Total Debt to Net Assets	0.26	0.28	(0.016)	(5.8%)
Long-Term Debt to Net Assets	0.24	0.24	(0.001)	(0.6%)
Debt Coverage Ratio (Gross Revenue including Customer Impact Fees/Operating Expenses adjusted for Depreciation)	1.65	1.60	0.054	3.4%

General Trends and Significant Events

Over the last 5 years the District has experienced a customer base growth rate of 17.3%. During fiscal year 2009 the District experienced a .8% growth rate in new customers, a 1.5% decrease in water residential equivalent users and a 1.0% growth rate in sewer residential equivalent users.

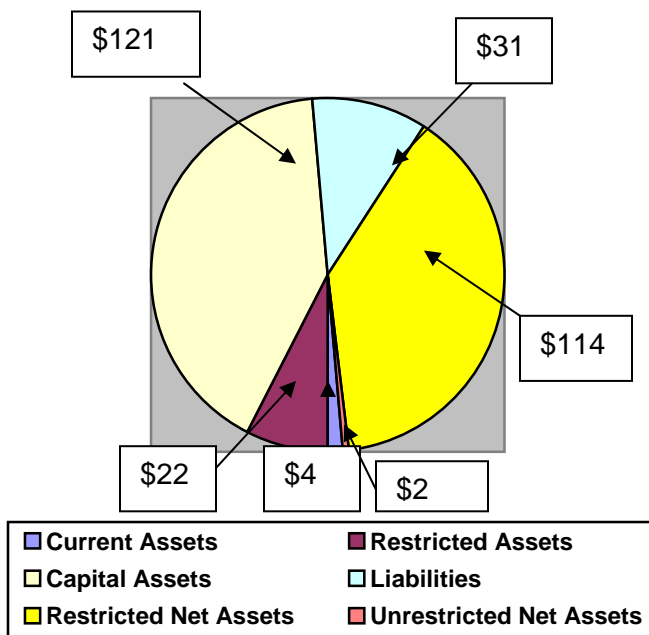
Weather conditions during fiscal year 2009 were generally normal for the seasons. However, water production and sales were lower than projected for the year. This is attributed to reduced irrigation usage from previous drought conditions and a reduction in usage due to economic conditions, particularly in restaurants and beach rental properties.

The volume of water sold in fiscal year 2009 was over 1,682 million gallons, a decrease of 8.2% from fiscal year 2008. Retail customers purchased 96.8% of the total water sold and the bulk wholesale customers purchased 3.2%.

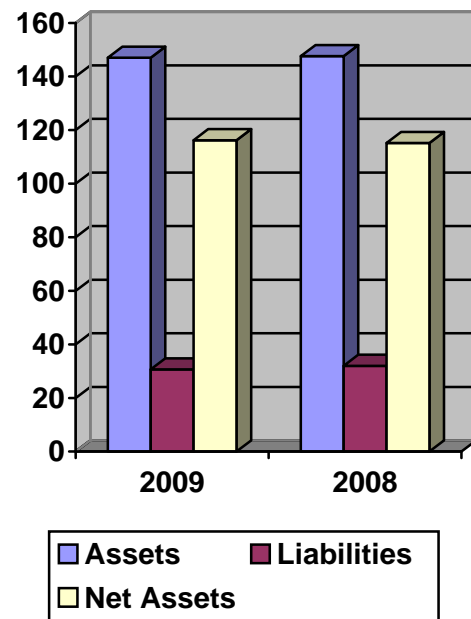
Financial Condition

The District's financial condition remained strong at year-end with adequate liquid assets, reliable plants and systems to meet demand, and a reasonable level of unrestricted net assets. The current financial condition, technical support staff capabilities and operating and expansion plans to meet anticipated customer needs, are well balanced and under control. The following charts summarize the balance sheet.

**FY 2009 BALANCE SHEET
(In Millions)**



**FINANCIAL POSITION
(In Millions)**



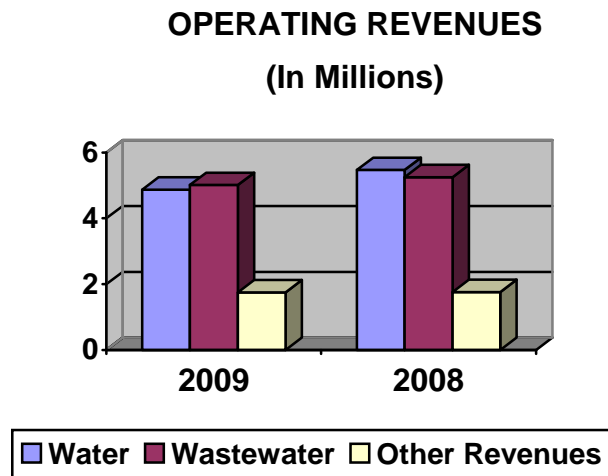
Total assets were reduced \$.6 million or (.4%). This is represented by a \$1.9 million increase in current and net capital assets and a \$2.5 million decrease in restricted assets.

Net assets increased \$1.0 million, with substantially all the change resulting from investments in capital assets. Unrestricted net assets increased \$.1 million or 4.1%.

Accounts Receivable at year-end was 8.9% more than year-end 2008.

Results of Operations

Operating Revenues: Revenues from operations fall into three general categories: water service, wastewater service and other revenues, which includes Billing & Collection and Engineering Income. The District has three classes of water and wastewater customers: Residential, Commercial and Bulk. The following chart depicts District revenues for the last two fiscal years.



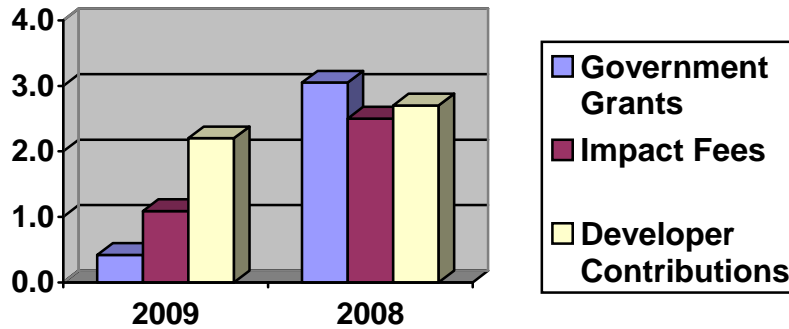
The District did not adjust water and sewer rates during fiscal year 2009.

Capital Contributions and Grants: The District collects water and wastewater capacity fees in order to ensure that current customers do not bear the burden of growth. These fees are paid by new customers and represent, on a residential equivalent unit basis, the cost of the water and/or wastewater capacity purchased by the new account. Most of these fees are paid for blocks of capacity purchased by residential and commercial Real Estate Developers.

The District also receives additions to its collections and distribution systems from developers. Prior to GASB 34 implementation, the money and system assets received were recorded as direct contributions to the equity. GASB 34 defines these fees as non-operating revenues and requires reporting the amounts through the Statement of Revenues, Expenses and Changes in Net Assets.

The following chart depicts the capital contribution activity at the District for the last two fiscal years.

Capital Contributions (In Millions)



Cash capital contributions (impact fees) were \$254,764 for 2009 compared to \$1,087,754 for 2008.

Expenses: The District operates and maintains a potable water treatment and delivery system and a wastewater collection and treatment system. The bulk of the water production occurs at its 8.0 million gallon per day surface water treatment plant. Twenty (20) wells are also used for certain remote service areas, for peak management and emergency use. The wastewater system includes five (5) wastewater treatment plants that range in size from below 50,000 gallons per day to 5.5 million gallons per day.

Total operating expenses of the District decreased \$162,431 from fiscal year 2008, and operating revenues decreased \$850,264. Operating expenses including depreciation for water and wastewater operations for the last two years are listed below.

Operating Expenses

	<u>2009</u>	<u>%</u>	<u>2008</u>	<u>%</u>	<u>Variance</u>	<u>%Change</u>
Personnel Cost	\$4,176,492	31.6%	\$4,100,340	30.6%	\$ 76,152	1.86%
Contractual Services	2,300,367	17.4%	2,403,421	17.9%	(103,054)	(4.29%)
Supplies & Materials	1,697,082	12.8%	1,959,047	14.6%	(261,965)	(13.37%)
Business & Travel Expenses	200,102	1.5%	254,883	1.9%	(54,781)	(21.49%)
Depreciation	4,846,912	36.6%	4,656,904	34.8%	190,008	4.08%
Other Expenses	12,314	0.1%	21,105	0.2%	(8,791)	(41.65%)
	<u>\$13,233,269</u>	<u>100.0%</u>	<u>\$13,395,700</u>	<u>100.0%</u>	<u>\$ (162,431)</u>	<u>(1.21%)</u>

Personnel costs increased \$76,152 or 1.86% from 2008 to 2009. The District granted a cost-of-living increase of 2.5% during 2009, but the number of employees during the year decreased from 79 to 76. The implementation of GASB 45 (Other Post Employment Benefits) in 2009 also contributed to the increase in Personnel costs. Contractual services decreased \$103,054 or 4.29%. Supplies and materials decreased \$261,965 or 13.37%. Depreciation and amortization is up \$190,008 or 4.08% due to addition of assets during the year.

Rate Covenant

In the Bond Resolution, the District covenants and agrees that it will, at all times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the District, together with other income, that will yield annual Net Earnings in the fiscal year equal to at least one hundred twenty percent (120%) of the sum of the principal and interest requirements of the current fiscal year for all bonds and prior lien bonds. Net earnings for debt service are defined as the sum, which remain from the entire revenues after deduction of the cost of operating and maintaining the systems. No account is taken of the principal of and interest on long term indebtedness or of depreciation. The rate covenant in the Bond Resolution obligates the District to levy, maintain, revise and collect such fees and charges at all times sufficient to maintain the required 120% coverage. Revenue bond debt service coverage for the last two fiscal years was 165% and 160%, respectively.

Capital Assets and Long Term Debt

The District invested \$5.8 million in Plant and Equipment during 2009. The major projects completed were the South Causeway Sewer Project, the Pawleys Sewer Treatment Plant Upgrade, and the Knowlin Road Water Project. During 2009, developer contributions to Capital Assets were \$2.1 million.

The District issued the 2008 Series A and the 2009 Series A Revenue Bonds during the fiscal year. These notes were issued to provide construction funds for the South Causeway Sewer Project.

Final Comments

This financial report is designed to provide a general overview of the District'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 financial information should be addressed to the Finance Manager, LaDain Port, Georgetown County Water and Sewer District, P.O. Box 2748, Georgetown, SC 29442.



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RSM McGladrey Network
An Independently Owned Member

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Georgetown County Water and Sewer District
Georgetown, South Carolina

We have audited the accompanying basic financial statements of Georgetown County Water and Sewer District (the District) as of and for the years ended June 30, 2009 and 2008 as listed in the index. These financial statements are the responsibility of Georgetown County Water and Sewer District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgetown County Water and Sewer District as of June 30, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 11, 2009 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The Management's Discussion and Analysis on pages 2 -15 and the Schedule of Funding Progress on page 32 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon. The other supplementary information on pages 33 - 45 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Derrick Stubbs + Stith LLP

November 11, 2009

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
STATEMENTS OF NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 879,690	\$ 687,064
Accounts receivable - customers (net)	2,050,360	1,883,000
Inventory	833,033	717,305
Prepaid expenses	15,456	16,319
Total current assets	<u>3,778,539</u>	<u>3,303,688</u>
Non-Current Assets		
Restricted Assets		
Cash and cash equivalents	15,500,402	18,841,273
Service agreement receivable	2,105,173	2,131,996
Impact fee receivable	133,087	16,380
Assessments receivable	4,398,980	3,697,864
Total restricted assets	<u>22,137,642</u>	<u>24,687,513</u>
Capital assets		
Land and improvements	844,706	832,640
Buildings and improvements	3,828,711	3,841,207
Water systems	52,238,408	51,341,755
Sewer systems	118,007,527	113,150,181
Machinery, equipment and vehicles	2,861,277	2,856,878
Furniture and fixtures	792,948	766,720
Total cost	<u>178,573,577</u>	<u>172,789,381</u>
Less, accumulated depreciation	60,513,849	55,748,723
Net cost	<u>118,059,728</u>	<u>117,040,658</u>
Construction in progress	2,977,839	2,541,770
Net capital assets	<u>121,037,567</u>	<u>119,582,428</u>
Total assets	<u>146,953,748</u>	<u>147,573,629</u>
LIABILITIES		
Current Liabilities		
Accounts payable	198,194	167,985
Accrued salaries and withholdings	154,855	150,967
Accrued post-employment benefits	51,102	-
Customer deposits	245,594	273,145
Current maturities of revenue bonds and service agreement	1,318,124	2,876,497
Total current liabilities	<u>1,967,869</u>	<u>3,468,594</u>
Current Liabilities Payable From Restricted Assets		
Construction contracts payable	415,982	667,876
Accrued interest	246,906	261,503
Total current liabilities payable from restricted assets	<u>662,888</u>	<u>929,379</u>
Non-Current Liabilities		
Revenue bonds and service agreement less, current maturities	28,036,620	27,990,470
Deferred refunding costs	(192,769)	(221,874)
Accrued post-employment benefits	68,219	-
Compensation for future absences	167,221	168,262
Total non-current liabilities	<u>28,079,291</u>	<u>27,936,858</u>
Total liabilities	<u>30,710,048</u>	<u>32,334,831</u>
NET ASSETS		
Invested in capital assets, net of related debt	93,980,763	91,069,330
Restricted for		
Capital activity	11,206,192	14,107,434
Debt service	8,397,939	7,775,140
Good neighbor contributions	12,357	5,067
Unrestricted	2,646,449	2,281,827
Total net assets	<u>\$ 116,243,700</u>	<u>\$ 115,238,798</u>

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

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Water		
Volume charges	\$ 3,320,787	\$ 3,680,542
Availability charges	1,115,607	1,127,592
Inspection & connection fees	223,694	252,695
Administrative recoveries	208,076	411,463
Total water operating revenues	<u>4,868,164</u>	<u>5,472,292</u>
Sewer		
Volume charges	3,247,514	3,458,065
Availability charges	1,442,210	1,474,786
Inspection & connection fees	100,586	77,339
Administrative recoveries	223,651	243,343
Total sewer operating revenues	<u>5,013,961</u>	<u>5,253,533</u>
Billing & Collection		
Customer charges	1,476,751	1,466,159
Service charges & penalties	239,372	243,217
Total billing & collection revenues	<u>1,716,123</u>	<u>1,709,376</u>
Engineering income	<u>33,225</u>	<u>51,317</u>
Total operating revenues	<u>11,631,473</u>	<u>12,486,518</u>
Operating Expenses		
Water		
Personnel services	715,822	756,896
Contractual services	463,700	432,000
Supplies & materials	927,762	817,598
Business & travel	-	254
Other expenses	900	(488)
Depreciation	1,528,959	1,479,321
General administrative costs allocated	1,189,230	1,228,334
Total water operating expenses	<u>4,826,373</u>	<u>4,713,915</u>
Sewer		
Personnel services	652,694	644,817
Contractual services	947,042	1,007,166
Supplies & materials	480,971	660,491
Business & travel	-	(199)
Depreciation	2,912,859	2,835,837
General administrative costs allocated	1,084,353	1,046,139
Total sewer operating expenses	<u>6,077,919</u>	<u>6,194,251</u>
Billing & Collection		
Personnel services	479,440	449,111
Contractual services	93,746	73,431
Supplies & materials	55,849	64,076
Business & travel	112,078	143,748
Other expenses	39	267
General administrative costs allocated	796,518	728,843
Total billing & collection operating expenses	<u>1,537,670</u>	<u>1,459,476</u>

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

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Operating Expenses (Continued)		
Engineering		
Personnel services	\$ 180,853	\$ 194,432
Contractual services	30,788	75,841
Supplies & materials	6,653	8,159
Business & travel	4,269	4,235
Other expenses	-	17
General administrative costs allocated	300,461	315,535
Total engineering operating expenses	<u>523,024</u>	<u>598,219</u>
General Administration		
Personnel services	2,147,683	2,055,084
Contractual services	765,090	814,982
Supplies & materials	225,847	408,723
Business & travel	83,755	106,844
Other expenses	11,375	21,309
Depreciation	405,094	341,746
General administrative costs allocated	(3,370,561)	(3,318,851)
Total general administration operating expenses	<u>268,283</u>	<u>429,837</u>
Total operating expenses	<u>13,233,269</u>	<u>13,395,698</u>
(Loss) from operations	<u>(1,601,796)</u>	<u>(909,180)</u>
Non-operating Revenues (Expenses)		
Interest on investments	369,215	550,589
Interest on water & sewer assessments	174,707	248,162
Net miscellaneous income	12,325	8,253
Bond interest expense	(1,488,272)	(1,447,109)
Adjustment for Pawleys Island S. Commercial assessment	-	(510,875)
Net loss on disposal of assets	(10,046)	(28,180)
Total non-operating revenues (expenses)	<u>(942,071)</u>	<u>(1,179,160)</u>
(Loss) before capital contributions	<u>(2,543,867)</u>	<u>(2,088,340)</u>
Capital Contributions		
Grants	-	424
Water & sewer impact fees	254,764	1,087,754
Water & sewer assessments	1,234,356	89,294
Developer contributions of systems	2,059,649	2,297,855
Total capital contributions	<u>3,548,769</u>	<u>3,475,327</u>
Increase in net assets	<u>1,004,902</u>	<u>1,386,987</u>
Net Assets		
Beginning of year	<u>115,238,798</u>	<u>113,851,811</u>
End of year	<u>\$ 116,243,700</u>	<u>\$ 115,238,798</u>

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

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 11,403,338	\$ 12,688,295
Payments to suppliers for goods and services	(4,546,415)	(4,934,305)
Payments to employees for services	(4,054,324)	(4,059,233)
Other operating revenue (expense)	33,225	51,805
Net cash provided by operating activities	<u>2,835,824</u>	<u>3,746,562</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from bonds, notes and equipment contracts	1,364,070	1,731,297
Capital contributed by federal and state grants	-	366,456
Acquisition and construction of capital assets	(4,264,944)	(5,170,623)
Principal paid on capital debt	(2,903,117)	(1,451,390)
Interest paid on capital debt	(1,412,236)	(1,574,024)
Water and sewer assessments received	533,240	1,050,507
Water and sewer assessment interest received	174,707	248,162
Impact fees received	138,057	1,071,374
Sale of assets	(10,046)	(28,180)
Miscellaneous	26,985	86,897
Net cash (used in) capital and related financing activities	<u>(6,353,284)</u>	<u>(3,669,524)</u>
Cash Flows from Investing Activities		
Interest on investments	369,215	550,589
Net increase (decrease) in cash and cash equivalents	<u>(3,148,245)</u>	627,627
Cash and Cash Equivalents		
Beginning	<u>19,528,337</u>	<u>18,900,710</u>
Ending	<u>16,380,092</u>	<u>19,528,337</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in)		
Operating Activities		
Operating (loss)	<u>(1,601,796)</u>	<u>(909,180)</u>
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities		
Add: noncash expenses		
Depreciation expense	4,846,912	4,656,904
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(167,360)	295,451
(Decrease) in inventory	(115,728)	(114,623)
(Increase) decrease in prepaid expenses	863	(391)
(Decrease) in accounts payable	(221,682)	(181,225)
Increase in accrued salaries and withholdings	3,888	25,448
Increase (decrease) in future absences	(1,041)	16,435
Increase (decrease) in accrued post-employment benefits	119,321	-
(Decrease) in customer deposits	(27,553)	(42,257)
Total adjustments	<u>4,437,620</u>	<u>4,655,742</u>
Net cash provided by operating activities	<u>\$ 2,835,824</u>	<u>\$ 3,746,562</u>

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

GEORGETOWN COUNTY WATER AND SEWER DISTRICT YEARS ENDED JUNE 30, 2009 AND 2008

Notes to Financial Statements

Note 1. Description of Entity

The Georgetown County Water and Sewer District (the District) is a political subdivision of the State of South Carolina created by Act No. 733 of the Legislature on June 22, 1967. This enabling legislation authorized the District to provide water and sewer services to generally all areas of Georgetown County with the exception of the Town of Andrews and the City of Georgetown. The District is governed by a seven-member board appointed by the governor based upon recommendations from the Georgetown County legislative delegation. The District has been deemed to not be a component unit of another governmental entity in accordance with the provisions of Statement No. 14 issued by the Governmental Accounting Standards Board because the District determines its own budget, set rates and charges without approval by another government, is responsible for any deficits and can issue bonded debt. The District has no component units within the provisions of Statement No. 14.

Note 2. Summary of Significant Accounting Policies

Basis of presentation and method of accounting: Georgetown County Water and Sewer District's financial statements are presented in accordance with reporting guidelines recommended for enterprise funds by the Governmental Accounting Standards Board (GASB). The District has adopted private sector standards issued prior to December 1, 1989 as long as those standards do not conflict with GASB guidance.

The District's financial statements are presented on the accrual basis of accounting. Revenues are recorded in the period earned, including impact fees upon assessment, and expenses are recorded at the time liabilities are incurred. Grant revenues are recognized once the eligibility requirements imposed by the grantor are satisfied. In accordance with enterprise fund accounting guidelines, the District distinguishes between operating revenues and expenses and non-operating items. Operating revenues and expenses are typically charges for providing water and sewer services to customers and the related costs of performing those services to include depreciation. Any other revenue or expense not directly related to the principal ongoing activity is classified as non-operating.

Cash and cash equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. At June 30, 2009 and 2008, amounts meeting the above definition totaled \$ 16,380,092 and \$ 19,528,337, respectively.

Investments: The District is authorized to invest funds in approved financial institutions investment accounts to include federally backed securities and notes. Investments, if any, are reported at fair value.

Accounts receivable – customer: Customer Receivables represent service fees earned, but not yet collected. The District records an estimate of water and sewer service provided to customers from the last meter reading date to the balance sheet date. At June 30, 2009 and 2008, unbilled estimated accounts receivable were approximately \$ 571,000 and \$ 530,000, respectively, and are included in accounts receivable - customers.

Inventory and prepaid items: Materials and supplies inventories are stated at the lower of cost or market. Cost is determined based on a weighted average of like items representing the dollar value of quantities on hand.

Certain payments to vendors (i.e. insurance) reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted assets: Restricted assets represent cash, investments and receivables maintained in accordance with bond resolutions, loan agreements, grant awards, and other resolutions or formal actions of the District for the purpose of funding certain debt service payments, depreciation and contingency activities and improvements to the system.

Capital assets: Capital assets are defined by the District as those with an initial, individual cost of more than \$ 750 and an estimated useful life in excess of two years. Property, equipment and construction in progress acquired by construction or purchase are stated at cost.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Capital assets (continued): Assets acquired through contribution from customers and land developers are capitalized at the customer or developer's cost, if available, or at the District engineer's estimated fair market value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Land improvements	20
Buildings and improvements	10 - 25
Water systems	40
Sewer systems	40
Machinery, equipment and vehicles	5 - 10
Furniture and fixtures	5 - 10

The cost of studies that directly result in specific construction projects are capitalized at the beginning of the construction period. Insignificant costs applicable to projects and amounts not specifically chargeable to individual projects are charged to operations.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. For the years ended June 30, 2009 and 2008, there was no interest capitalized to construction projects.

Long-term obligations and costs: Long-term obligations are reported at face value net of premiums and discounts, if any. Deferred refunding costs resulting from advance refundings is reported on the balance sheet as a deduction from bonds payable and will be charged to operations as a component of interest expense using the effective interest rate method over the remaining life of the new debt.

Compensation for future absences: It is the District's policy to permit its employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from District service. These vacation benefits are accrued in the period earned. As of June 30, 2009 and 2008, accrued leave was \$ 167,221 and \$ 168,262, respectively.

Capital contributions: Property and equipment contributed by customers, developers and government grants that are permanent in nature are recorded as an asset and recognized in the Statement of Revenues, Expenses and Changes in Net Assets when earned.

Net assets: Net assets represent the accumulated net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three categories: invested in capital assets net of related debt; restricted net assets and unrestricted net assets. Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by outstanding liabilities that are attributable to the acquisition, construction or improvement of those assets. Debt related to other restricted cash and investments is excluded from the determination. Restricted net assets are assets on which constraints have been placed by external parties such as lenders, grantors, contributors or by laws, regulations or enabling legislation including self imposed mandates, less any related liabilities. Unrestricted net assets consist of all other net assets not included in the above categories.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Cash and Cash Equivalents

At June 30, 2009, the carrying (book) amount of the cash on hand and in bank and demand deposit accounts was \$ 16,380,092. All of the District's deposits with financial institutions are insured or collateralized with securities held by the District or by the District's agent in the District's name.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 3. Cash and Cash Equivalents (Continued)

Investments of revenue bond proceeds are governed by the applicable bond indenture. Generally, deposits from these proceeds must be insured by the Federal Deposit Insurance Corporation. Amounts in excess of this insurance must be secured by direct obligations of the United States or any agency thereof.

Note 4. Accounts Receivable – Customers (Net)

Accounts receivable – customers, net, at June 30, 2009 and 2008 were composed of the following:

	<u>2009</u>	<u>2008</u>
Billed services	\$ 842,265	\$ 800,824
Meters read in June, billed in July	462,753	427,505
Estimated unread usage	570,852	529,568
Accounts receivable – financed	214,490	165,103
Less: Allowance for doubtful accounts	(40,000)	(40,000)
Totals	\$ <u>2,050,360</u>	\$ <u>1,883,000</u>

Note 5. Assessments Receivable

Front foot assessments were levied on properties abutting on new laterals in certain areas in order to provide adequate funds to construct the systems. The assessments are pledged to secure bond issues and collections as received are required to be deposited in the Current Debt Service restricted account to be used to pay bond principal and interest. The assessments may be paid in full or at each anniversary billing date at the option of the property owner. Annual installments not yet billed to property owners are presented as Assessments Receivable, a non-current restricted asset. The assessments at June 30, 2009 and 2008 are summarized as follows:

Area	Date Levied	Original Assessment	Assessments Outstanding June 30, 2009	Assessments Outstanding June 30, 2008
Pawleys Island	10/2/1989	\$ 2,285,800	\$ -	\$ 65,432
West Georgetown	9/26/1990	739,000	-	109,008
Penny Royal	11/30/1991	105,489	9,231	17,596
Wacca Wache	8/19/1992	456,500	52,558	75,183
Hagley Estates	10/5/1995	4,841,120	1,663,756	1,882,566
Martin Luther King	7/11/1996	1,731,139	638,377	723,794
North Causeway	9/1/2003	433,221	273,793	297,161
Brock Road	3/15/2005	256,665	193,864	201,000
Cherokee Drive Water	6/12/2006	206,532	174,370	184,487
Beaumont Drive Sewer	7/14/2006	95,430	82,663	82,325
South Causeway Sewer	9/1/2008	1,345,690	1,246,421	-
Grinder Pump & Step Units		21,200	63,947	59,312
Total		\$ <u>12,517,786</u>	\$ <u>4,398,980</u>	\$ <u>3,697,864</u>

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 6. Service Agreement Receivable

As more fully described in Note 9, the District entered into a Service Agreement with the Town of Andrews whereby the Town is to pay a debt service charge to the District for allocation of capacity of the West Georgetown County Regional Sewer Interceptor. The initial agreement calls for the Town to make 480 monthly payments of \$ 10,185 including principal and interest at 4.50% beginning November 2002 plus an additional 10% bond cushion fund payment. The District recorded an initial receivable amount of \$ 2,263,200. The principal balance of the receivable at June 30, 2009 and 2008 was \$ 2,105,173 and \$ 2,131,996 respectively. The District has pledged these receipts for debt service on the District's 2002 series B revenue bond.

Note 7. Restricted Assets

Restricted asset accounts were established to account for assets reserved for specific purposes. Revenue bond indentures require the establishment of construction accounts, current debt service accounts, future debt service accounts, contingency accounts and depreciation accounts. Deposits are made to these restricted asset accounts in amounts determined by the bond indenture or the District's board members. Developers' reservation deposits are a restricted asset account to maintain custody over funds being held for developers. Impact fees charged to new customers are to recover the costs associated with unutilized capacity in oversized facilities built to meet future needs. The impact fee is placed in a restricted asset account for use by the Board for capital improvements and debt service. The service agreement receivable has been pledged to meet the future debt service requirements on bonds issued by the District to finance the West Georgetown County Regional Interceptor Sewer System (Note 6).

	<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents		
Capital renewal and replacement impact fees	\$ 8,785,449	\$ 10,863,877
Sewer availability surcharge	-	124,694
Construction accounts	273	672,761
Current debt service accounts	792,377	1,114,998
Future debt service accounts - FmHA	2,094,834	2,023,646
Depreciation fund account	2,443,055	2,842,949
Contingency fund account	1,111,748	938,632
Developers reservation fees account	260,309	254,649
Good neighbor contribution	12,357	5,067
Service agreement receivable	2,105,173	2,131,996
Impact fees receivable	133,087	16,380
Assessments receivable	4,398,980	3,697,864
Total	\$ 22,137,642	\$ 24,687,513

Note 8. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 749,513	\$ -	\$ -	\$ 749,513
Construction in progress	<u>2,541,770</u>	<u>4,490,110</u>	<u>(4,054,041)</u>	<u>2,977,839</u>
Total capital assets not being depreciated	\$ 3,291,283	\$ 4,490,110	\$ (4,054,041)	\$ 3,727,352

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 8. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Land improvements	\$ 83,127	\$ 12,066	\$ -	\$ 95,193
Buildings and improvements	3,841,207	-	(12,496)	3,828,711
Water systems	51,341,755	946,653	(50,000)	52,238,408
Sewer systems	113,150,181	4,874,200	(16,854)	118,007,527
Machinery, equipment and vehicles	2,856,878	18,137	(13,738)	2,861,277
Furniture and fixtures	766,720	37,468	(11,240)	792,948
Total capital assets being depreciated	<u>172,039,868</u>	<u>5,888,524</u>	<u>(104,328)</u>	<u>177,824,064</u>
Less: accumulated depreciation for				
Land improvements	(56,988)	(1,654)	-	(58,642)
Building and improvements	(597,297)	(151,833)	-	(749,130)
Water systems	(16,236,393)	(1,527,231)	41,875	(17,721,749)
Sewer systems	(35,740,087)	(2,911,794)	14,933	(38,636,948)
Machinery, equipment and vehicles	(2,370,683)	(189,940)	13,738	(2,546,885)
Furniture and fixtures	(747,275)	(64,459)	11,239	(800,495)
Total accumulated depreciation	<u>(55,748,723)</u>	<u>(4,846,911)</u>	<u>81,785</u>	<u>(60,513,849)</u>
Total capital assets being depreciated, Net	<u>116,291,145</u>	<u>1,041,613</u>	<u>(22,543)</u>	<u>117,310,215</u>
Net capital assets	<u>\$ 119,582,428</u>	<u>\$ 5,531,723</u>	<u>\$(4,076,584)</u>	<u>\$ 121,037,567</u>

Note 9. Long-Term Debt

Revenue bonds: Revenue bonds are collateralized by an irrevocable pledge of income and revenues derived from the operation of the systems and a mortgage lien on the water and sewer systems. The revenues derived from the operation of the respective systems are to be used for expenses in connection with the administration and operation of the systems. The revenue bonds also require the establishment of the following restricted asset bank accounts (Note 7):

- (a) Construction Accounts - for construction
- (b) Current Debt Service Accounts (Bond and Interest Fund) - for payment of bond principal and interest
- (c) Future Debt Service Accounts (Cushion Fund) - a reserve for future payment of bond principal and interest
- (d) Depreciation Fund - for renewal and replacement
- (e) Contingency Fund - for improvements, betterments and extension of systems

Annual debt service requirements to maturity for revenue and revenue refunding bonds are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,282,715	\$ 1,438,374	\$ 2,721,089
2011	1,603,085	1,370,644	2,973,729
2012	1,500,537	1,287,840	2,788,377
2013	1,582,897	1,207,400	2,790,297
2014	1,658,313	1,121,849	2,780,162
2015 - 2019	4,326,264	4,662,806	8,989,070
2020 - 2024	4,897,021	3,513,944	8,410,965
2025 - 2029	4,391,627	2,209,851	6,601,478
2030 - 2034	3,308,498	1,306,605	4,615,103
2035 - 2039	2,560,268	560,790	3,121,058
2040 - 2044	1,158,321	134,182	1,292,503
2045 - 2046	216,242	7,614	223,856
Totals	<u>\$ 28,485,788</u>	<u>\$ 18,821,899</u>	<u>\$ 47,307,687</u>

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Obligation under service agreement: On October 30, 1997, the District entered into the West Georgetown County Regional Wastewater Treatment System Service Agreement (the "Agreement") with the Town of Andrews, the City of Georgetown and the County of Georgetown. The parties to the agreement have determined that it is mutually beneficial to join together in this wastewater transportation, treatment and disposal project rather than each constructing its own new system. The terms of the agreement are briefly outlined below:

The District will:

- Construct, own, operate and maintain the West Georgetown County Regional Sewer System Interceptor (the "Interceptor") with an initial capacity of 6.0 million gallons per day. Financing will be facilitated by issuance of \$ 4,526,400 in revenue bonds.
- Be responsible for paying the City a debt service charge each month based on the District's initial allocation of the capacity of the City's treatment facility. The current debt service charge is \$ 8,336 per month.
- Be responsible for paying the City a volume charge each month based on metered volume of District sewage processed by the City's treatment facility to cover operating costs.
- Collect debt service and volume charges from the Town of Andrews to cover the Town's capacity and use charges of the District's interceptor.

The City of Georgetown will:

- Construct, own, operate and maintain the West Georgetown County Regional Treatment Facility (the "Treatment Facility") with an initial capacity of 11.9 million gallons per day. Financing will be facilitated by issuance of a \$ 10,074,369 loan.
- Collect prorated debt service and volume payments from the District and the Town of Andrews monthly to recoup capacity and operating costs.

The Town of Andrews will:

- Be responsible for paying the District debt service and volume charges based on capacity and use of the interceptor (see also Note 6).
- Be responsible for paying the City debt service and volume charges based on capacity and use of the treatment facility.

The County of Georgetown will:

- Operate and maintain the Georgetown County Composting Facility to accept residual bio-solids from the treatment facility.

The term of the service agreement contract is to continue as long as the capital facilities related to the contract remain functional.

Both the District and the City have pledged that payments made to them for the purchase of wastewater capacity are intended to be part of the revenues of the interceptor and treatment facility and will be used to meet the principal and interest requirements on indebtedness incurred to acquire and construct the projects.

The District originally recorded a long-term obligation to the City in the principal amount of \$ 3,052,534 for its initial capacity allocation. During the year ended June 30, 2004, the City was allowed to apply unspent grant funds to reduce its outstanding debt on this project. Accordingly, the City credited the District \$ 2,233,811 against the District's portion of the debt. Current payments terms call for 225 monthly payments of \$ 8,336 including principal and interest at 3.50% through March 2023. On July 1, 2008, The District increased their partnership in the RWWTP from a 30.3% interest to a 33.7% interest. The outstanding principal balances of this obligation of the District at June 30, 2009 and 2008 were \$ 868,956 and \$ 637,572, respectively.

As mentioned in Note 6, the District recorded a receivable from the Town of Andrews.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Various other stipulations, responsibilities, covenants and warranties are contained in the agreement. Additional capacity may be bought or sold by the parties in the future under certain circumstances.

Obligation Under Service Agreement debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2010	\$ 35,409	\$ 64,628	\$ 100,037
2011	39,057	60,980	100,037
2012	42,869	57,169	100,038
2013	46,850	53,188	100,038
2014	51,007	49,031	100,038
2015-2019	324,042	176,145	500,187
2020-2023	<u>329,722</u>	<u>45,419</u>	<u>375,141</u>
Totals	\$ <u>868,956</u>	\$ <u>506,560</u>	\$ <u>1,375,516</u>

Revenue Bonds, notes and obligation under service agreement at June 30, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Revenue bonds maturing through 2046; interest rates ranging from 2.96% to 6.50%	\$ 28,485,788	\$ 29,966,093
Obligation under service agreement maturing through 2023; interest at 3.50%	<u>868,956</u>	<u>900,874</u>
	29,354,744	30,866,967
Less, current portions	<u>1,318,124</u>	<u>2,876,497</u>
Total long-term debt	\$ <u>28,036,620</u>	\$ <u>27,990,470</u>

Advance and current refundings: On March 12, 1998, the District issued \$ 8,575,000 in Revenue Refunding Bonds with an average interest rate of 4.9% to advance refund \$ 4,618,000 of outstanding 1989 Refunding Bonds with an average interest rate of 8.1% and \$ 3,820,000 of outstanding 1995 Refunding Bonds with an average interest rate of 6.5%. The net proceeds of \$ 8,232,445 (after payment of \$ 342,555 in underwriting fees, original issue discount, insurance and other issuance costs) plus an additional \$ 931,867 of debt service reserve fund monies were deposited in an irrevocable trust with an escrow agent and subsequently invested in certain United States Treasury obligations sufficient to provide for all future debt service requirements on the 1989 and 1995 bonds. The 1989 bonds were called for redemption on March 1, 1999. The 1995 bonds were called for redemption on June 1, 2005.

The advance refunding resulted in deferred refunding costs or the difference between the reacquisition price and the net carrying amount of the old debt of \$ 602,163. This difference of \$ 192,769 at June 30, 2009, reported in the accompanying financial statements as a deduction from bonds payable, will be charged to operations as a component of interest expense through the year 2026 using the effective interest rate method over the remaining life of the new debt.

The District's advance refunding of the 1989 and 1995 bonds will reduce its total debt service payments over the 27 years by \$ 3,052,333 and produce an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ 1,003,307.

During the fiscal year ended June 30, 2003, the District issued \$ 1,520,000 in revenue refunding bonds for a current refunding of \$ 1,800,000 of outstanding revenue bonds. The difference between the amount of the new debt and the reacquisition price of \$ 280,000 was funded by use of bond and interest redemption cushion fund monies. The refunding was undertaken to reduce future total debt service payments.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Changes in long-term liabilities: Long-term liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 29,966,093	\$ 1,364,070	\$ (2,844,375)	\$ 28,485,788	\$ 1,282,715
Obligation under service agreement	900,874	-	(31,918)	868,956	35,409
Less: deferred refunding costs	(221,874)	-	29,105	(192,769)	-
Compensated absences	168,262	-	(1,041)	167,221	-
Total long-term liabilities	\$ 30,813,355	\$ 1,364,070	\$ (2,848,229)	\$ 29,329,196	\$ 1,318,124

Note 10. Lease Obligations

The District has adopted a policy of leasing all vehicles, whenever it is economically beneficial. Currently the District is leasing thirty (30) vehicles considered to be operating leases. Terms of all operating leases call for the District to pay all taxes, fees and insurance. A mileage charge of .06 per mile will be assessed the District for each mile over 90,000. Lease expenses for the years ended June 30, 2009 and 2008 were \$ 159,512 and \$ 152,546, respectively. The future minimum lease payments are as follows:

Fiscal Year:	
2010	\$ 114,918
2011	<u>66,027</u>
Total	\$ <u>180,945</u>

Note 11. Retirement Plan

All permanent employees participate in the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. The SCRS offers retirement and disability benefits, cost of living adjustments on an adhoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

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

Both employees and employers are required to contribute to the Plan under authority of Title 9 of the SC Code of Laws. Employees are required to contribute to the Plan, 6.50% of all earnings. Employers are required to contribute at the following actuarially determined rate of 9.24%. In addition to the above rates participating employers of the SCRS contribute .15% of payroll to provide a group life insurance benefit for their participants. The total payroll, covered payroll, employer contribution, and the actual percentage contributed of total covered payroll by the employer for the past three fiscal years is as follows:

	Total Payroll	Covered Payroll	Employer Contribution	Actual % Contributed
June 30, 2009	\$ 3,279,173	\$ 3,039,979	\$ 280,894	9.24%
June 30, 2008	\$ 3,249,129	\$ 3,009,419	\$ 272,654	9.06%
June 30, 2007	\$ 3,076,161	\$ 2,839,375	\$ 228,570	8.05%

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 12. Employee Benefit Plans

The District has established a cafeteria plan that provides each employee the opportunity to choose from a menu of fringe benefits. Through a salary reduction agreement, the employee can make pre-tax contributions to the plan to be used for qualified benefits. The plan contributions can be used to pay for supplemental life insurance, family health insurance premiums, child care, supplemental health care benefits such as dental and eye care not covered under the District's prevailing health insurance providers, and such other permitted benefits allowed by the Internal Revenue Code Section 125 and the designated cafeteria plan administrator.

The District has established a fringe benefit program that provides each qualified employee a monthly allowance to be used for one or more eligible fringe benefits. Currently, these eligible benefits include supplemental life insurance and family health insurance. The dollar value of the allowance shall be determined annually in conjunction with the approval of the District's annual budget and is paid by the District on behalf of each qualified employee. A portion of these benefits will generally be includible as taxable income to each qualified employee as provided by the Internal Revenue Code and Regulations.

Note 13. Commitments and Contingencies

The Grand Strand Water and Sewer Authority (the Authority) agreed to allow the District to connect to the Authority's Garden City water system for the purpose of providing stand-by water supply and pressure. The District shall pay the Authority for water delivered in accordance with the bulk water rate established by the Authority.

The Authority has also agreed by contract to assume the responsibility of providing, maintaining and operating the transmission of waste water, the treatment of waste water and the disposal of treated waste water for the District. The District shall pay the Authority in accordance with the contract.

The District has various contracts with the City of Georgetown (the City) whereby the City will treat and dispose of wastewater for the District. The District shall pay to the City a wastewater service charge as stated in the contracts. These contracts expire on May 11, 2023.

In the normal course of business, the District entered into agreements with contractors for the construction and expansion of the system. At June 30, 2009, open contracts for construction totaled approximately \$ 1,978,343 of which \$ 1,233,503 had been expended or recorded as a liability.

The District receives grant and loan monies from government agencies which are subject to audit and adjustments by those agencies. The District has never been required to refund any grant or loan money due to audit adjustments.

The District is a party to various matters in litigation in the due course of business. The assertions relating to these matters, while taken seriously by management, when resolved are not expected to cause any material adverse effect on the financial position of the District.

In 1995, the District and the Litchfield Plantation Company agreed that the District would credit 151 water and sewer impact fees to Litchfield Plantation Company in exchange for water and sewer infrastructure located on Litchfield Plantation Company property. Of the 151 originally assigned water and sewer impact fees, 107 remain unused. The District recognized an increase in net assets at the time of the exchange and has recognized depreciation expense on the related asset each year since the exchange took place. Due to the uncertainty of the number of water and sewer impact fees that will ultimately be utilized by the Litchfield Plantation Company, the effect of those water and sewer impact fees has not been recorded, which is not expected to cause any material adverse effect on the financial position of the District.

Note 14. Postemployment Benefits Other Than Pensions

Plan Description. The District participates in the Employee Insurance Program (EIP) of the State Budget and Control Board (SBCB). The plan provides healthcare insurance for eligible retirees until age sixty-five and Medi-gap insurance for retirees over the age of sixty-five through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the District's Board of Directors.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 14. Postemployment Benefits Other Than Pensions (Continued)

Funding Policy. Contribution requirements are set by the District's management. The District contributes up to 100% of the cost of current-year premiums for eligible retired plan members. For a retirees with 10 years of service, the District pays 50% of the cost of the current-year premiums. For a retirees with 15 years of service, the District pays 75% of the cost of the current-year premiums. For a retirees with 20 years of service, the District pays 100% of the cost of the current-year premiums. Members that wish to have other family members covered under the plan must fund any additional premium contribution.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual required contribution	\$ 113,639
Interest on net OPEB obligation	<u>5,682</u>
OPEB cost (expense)	119,321
Contributions made	<u>-</u>
Increase in net OPEB obligation	119,321
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u><u>\$ 119,321</u></u>

Funded Status and Funding Progress. As of June 30, 2009, the actuarial accrued liability for benefits was \$785,569, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,039,979, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The following simplifying assumptions were made:

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
YEARS ENDED JUNE 30, 2009 AND 2008**

Notes to Financial Statements

Note 14. Postemployment Benefits Other Than Pensions (Continued)

Mortality—Life expectancies were based on mortality tables from the National Center for Health Statistics. The 1999 United States Life Tables for Males and for Females were used.

Turnover—Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate—The expected rate of increase in healthcare insurance premiums was assumed to be 5.0%.

Health insurance premiums—2009 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the Districts short-term investment portfolio, a discount rate of 5.0% percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was thirty years.

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
DEFINED BENEFIT HEALTH CARE PLAN
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2009	\$ -	\$ 785,569	\$ 785,569	0.0%	\$ 3,039,979	25.8%

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the District has elected to implement prospectively. Therefore, prior year comparative data is not available. In fiscal years 2010 and 2011, two-year and three-year trend information will be presented, respectively.

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
 SCHEDULE OF REVENUES AND EXPENSES BY SYSTEM
 YEAR ENDED JUNE 30, 2009
 (With comparative totals for the fiscal year ended June 30, 2008)

	2009						2008
	General Operations						
	Water	Waste Water	General Administration	Billing and Collection	Engineering	Total	
Revenue							
Availability charges	\$ 1,115,607	\$ 1,442,210	\$ -	\$ -	\$ -	\$ 2,557,817	\$ 2,602,378
Volume charges	3,320,787	3,247,514	-	-	-	6,568,301	7,138,607
Service connection	223,562	82,092	-	-	-	305,654	305,561
Meter fees	132	-	-	-	-	132	4,350
Impact fees	132,154	122,610	-	-	-	254,764	1,087,754
Administrative recoveries	208,076	223,651	-	-	-	431,727	654,806
Sewer service inspection	-	18,494	-	-	-	18,494	18,798
Assessment							
Interest	48,482	126,226	-	-	-	174,708	(262,713)
Levy	8,737	1,225,619	-	-	-	1,234,356	89,294
Interest income	-	-	369,215	-	-	369,215	550,589
Discounts earned	-	-	2,350	-	-	2,350	2,554
Finance charge	-	-	1,687	-	-	1,687	407
Credit card fees and charges	-	-	(4,412)	-	-	(4,412)	-
Miscellaneous income	-	-	12,699	-	-	12,699	5,292
Customer charges	-	-	-	1,476,751	-	1,476,751	1,466,159
Service charges	-	-	-	64,158	-	64,158	71,685
Reconnects	-	-	-	92,033	-	92,033	91,535
Penalties	-	-	-	75,250	-	75,250	72,969
Returned check fees	-	-	-	7,931	-	7,931	8,352
Engineering income	-	-	-	-	33,225	33,225	51,317
Total revenues	5,057,537	6,488,416	381,539	1,716,123	33,225	13,676,840	13,959,694
Expenses							
Personnel services							
Salaries and wages							
Regular	672,318	621,365	1,057,713	472,232	174,596	2,998,224	2,993,775
Overtime	31,334	25,235	552	3,580	130	60,831	100,863
FICA tax expense	-	-	231,254	-	-	231,254	230,672
Personnel insurance	-	-	257,351	-	-	257,351	290,197
Retirement	-	-	285,816	-	-	285,816	276,500
Workmen's compensation	-	-	63,863	-	-	63,863	61,853
Post employee benefits	-	-	119,321	-	-	119,321	-
Other payroll expenses	12,171	6,095	262,719	3,628	6,128	290,741	254,429
Less: labor used in construction	-	-	(130,906)	-	-	(130,906)	(107,946)
Total personnel services	715,823	652,695	2,147,683	479,440	180,854	4,176,495	4,100,343

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY SYSTEM
YEAR ENDED JUNE 30, 2009
(With comparative totals for the fiscal year ended June 30, 2008)

	2009					2008
	Water	Waste Water	General Operations			
			General Administration	Billing and Collection	Engineering	
Expenses (Continued)						
Contractual Services						
Rents and Leases						
Vehicles						
Other						
Utilities						
Sewer service charges						
Telephone						
Insurance - operations						
Professional services						
Employee uniforms						
Service and maintenance						
Total contractual services						
Supplies and Materials						
Operating supplies and materials						
Water purchased for resale						
Automotive supplies						
Printing and office supplies						
Laboratory and treatment supplies						
Maintenance and Repair						
Buildings						
Facilities						
Equipment						
Vehicles						
Construction material						
Less: equipment used in construction						
Total supplies and materials						
Business and Travel Expense						
Travel expense						
Private vehicle expense						
Postage and delivery						
Employee training						
Memberships and meetings						
Board member compensation						
Professional books						
Public information						
Total business and travel expense						

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
 SCHEDULE OF REVENUES AND EXPENSES BY SYSTEM
 YEAR ENDED JUNE 30, 2009
 (With comparative totals for the fiscal year ended June 30, 2008)

	2009					2008
	Water	Waste Water	General Administration	General Billing and Collection	Engineering	
Expenses (Continued)						
Other (Income) Expenses						
Miscellaneous	\$ -	\$ -	\$ 11,375	\$ 39	\$ -	\$ 11,414
Bad debts	900	-	-	-	-	900
Net (gain) loss on disposal of fixed assets	-	-	10,046	-	-	10,046
Total other expenses	900	-	21,421	39	-	22,360
Depreciation	1,528,959	2,912,859	405,094	-	-	4,846,912
Debt Service						
Bond interest						
Special assessment	48,905	213,691	-	-	-	262,596
Other	388,847	733,618	103,210	-	-	1,225,675
Total debt service	437,752	947,309	103,210	-	-	1,488,271
Total direct expenses	4,074,895	5,940,877	3,752,102	741,152	222,563	14,731,589
Allocation of general administrative costs	1,189,231	1,084,352	(3,370,561)	796,517	300,461	-
Total expenses	5,264,126	7,025,229	381,541	1,537,669	523,024	14,731,589
Net income (loss)	\$ (206,589)	\$ (536,813)	\$ (2,00)	\$ 178,454	\$ (489,799)	\$ (1,054,749)
						\$ (911,296)

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY INDIVIDUAL WATER AND WASTE WATER SYSTEM
FOR THE YEAR ENDED JUNE 30, 2009**

	Water				Waste Water				Total	
	Georgetown		Waccamaw Neck		Georgetown		Waccamaw Neck			
	T&D	Treatment	T&D	Treatment	T&D	Treatment	Interceptor	T&D		
Revenues										
Availability charges	\$ 152,980	\$ -	\$ 906,560	\$ 1,115,606	\$ 284,288	\$ -	\$ -	\$ 1,157,922	\$ -	\$ 1,442,210
Volume charges	563,662	-	2,544,219	3,207,877	719,179	-	-	2,528,335	-	3,247,514
Service connection	58,578	-	161,934	223,563	57,364	-	-	24,728	-	82,092
Meter fees	-	-	132	132	-	-	-	-	-	-
Impact fees	77,385	-	65,277	132,154	12,488	-	-	110,122	-	122,610
Administrative recoveries	64,478	-	143,597	208,075	112,831	-	-	110,820	-	223,651
Sewer service inspection	-	-	-	-	1,728	-	-	16,766	-	18,494
Assessments	-	-	-	-	-	-	-	-	-	-
Interest	9,954	-	38,528	48,482	(23,434)	-	-	149,661	-	126,227
Levy	-	-	8,737	8,737	(32,848)	-	-	1,258,467	-	1,225,619
Total revenues	927,037	-	3,868,984	5,057,536	1,131,596	-	-	5,356,821	-	6,488,417
Expenses										
Personnel Services										
Salaries and Wages										
Regular	140,358	-	288,894	243,066	176,888	37,720	1,141	234,166	171,450	621,365
Overtime	5,943	-	8,000	17,391	8,122	3,345	-	5,169	8,598	25,234
Other payroll expenses	7,229	-	3,597	1,345	957	-	-	3,573	1,565	6,095
Total personnel services	153,530	-	300,491	261,802	185,967	41,065	1,141	242,908	181,613	652,694
Contractual Services										
Rents and Leases										
Other	-	-	-	-	6,460	-	-	-	-	6,460
Utilities	111,376	-	15,224	163,187	42,522	47,700	54,587	134,642	287,369	566,820
Sewer service charges	-	-	-	-	-	282,154	-	-	71,617	353,771
Telephone	-	-	-	3,844	-	-	-	-	2,163	2,163
Professional services	310	-	650	960	-	-	-	-	-	-
Service and maintenance	1,941	47,697	42,601	73,320	260	(26,430)	-	1,448	42,550	17,828
Total contractual services	113,627	47,697	58,475	240,351	49,242	303,424	54,587	136,090	403,699	947,042
Supplies and Materials										
Operating supplies & materials	14	608	1,182	2,122	2,929	-	1,151	7,840	18,651	30,571
Water purchased for resale	88	-	59,034	114,635	-	-	-	-	-	-
Printing and office supplies	13	-	-	79	-	-	-	-	-	-
Lab and treatment supplies	3,263	21	47,539	405,144	487	3,987	-	-	76,319	80,793
Maintenance and Repair										
Building	300	-	22	2,200	500	-	-	142	26	668
Facilities	31,238	44,169	59,597	59,438	66,274	11,045	3,883	136,569	108,878	326,649
Equipment	-	-	-	685	-	-	8,970	-	709	9,679
Construction material	(20,339)	-	112,674	95,635	20,915	-	2,287	9,408	-	32,610
Total supplies and materials	14,577	44,798	280,048	469,668	91,105	15,032	16,291	153,959	204,583	480,970
Other Expenses										
Employee training	-	-	-	-	-	-	-	-	-	-
Bad debts	354	-	546	900	-	-	-	-	-	-
Total other expenses	354	-	546	900	-	-	-	-	-	-
Depreciation	383,542	-	1,128,468	1,528,960	772,917	114,984	151,464	1,481,708	391,786	2,912,859

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
 SCHEDULE OF REVENUES AND EXPENSES BY INDIVIDUAL WATER AND WASTE WATER SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2009

	Water				Waste Water				Total Waste Water	
	Georgetown		Waccamaw Neck		Georgetown		Waccamaw Neck			
	T&D	Treatment	T&D	Treatment	T&D	Treatment	T&D	Treatment		
Expenses (Continued)										
Debt Service										
Bond Interest										
Special assessment	\$ 7,973	\$ -	\$ 40,932	\$ -	\$ -	\$ 13,685	\$ -	\$ 200,006	\$ -	\$ 213,691
Other	56,869	-	42,346	289,632	-	93,295	90,614	70,678	292,838	733,617
Total debt service	<u>64,842</u>	<u>-</u>	<u>83,278</u>	<u>289,632</u>	<u>-</u>	<u>106,980</u>	<u>90,614</u>	<u>270,684</u>	<u>292,838</u>	<u>947,308</u>
Total direct expenses	<u>730,472</u>	<u>92,495</u>	<u>1,851,306</u>	<u>1,261,453</u>	<u>139,171</u>	<u>1,206,211</u>	<u>565,119</u>	<u>2,285,349</u>	<u>1,474,519</u>	<u>5,940,873</u>
Allocation of general administrative costs	255,067	-	499,219	434,944	-	308,955	68,223	403,555	301,722	1,084,351
Total expenses	<u>985,539</u>	<u>92,495</u>	<u>2,350,525</u>	<u>1,696,397</u>	<u>139,171</u>	<u>1,515,166</u>	<u>633,342</u>	<u>2,688,904</u>	<u>1,776,241</u>	<u>7,025,224</u>
Net income (loss)	<u>\$ (58,502)</u>	<u>\$ (92,495)</u>	<u>\$ 1,518,459</u>	<u>\$ (1,696,397)</u>	<u>\$ 122,344</u>	<u>\$ (383,570)</u>	<u>\$ (633,342)</u>	<u>\$ 2,667,917</u>	<u>\$ (1,776,241)</u>	<u>\$ (536,807)</u>

Note 1: All revenues are allocated to transmission and distribution (T & D) services; none are allocated to treatment services.

GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009

Fiscal Year Ending	Revenue Bond of 1990 Series A - West Gtn. Sewer		Revenue Bond of 1990 Series C - Plant C		Revenue Bond of 1995 Series A - Hagley W & S		Revenue Bond of 1996 Series A - M. L. King Sewer		Revenue Bond of 1996 Series B - M. L. King Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 15,581	\$ 31,495	\$ 78,337	\$ 151,535	\$ 305,272	\$ 128,752	\$ 84,104	\$ 38,237	\$ 15,895	\$ 6,113
2011	16,540	30,535	83,584	146,289	324,733	109,291	88,730	33,611	16,769	5,239
2012	17,562	29,514	89,182	140,691	345,435	88,588	93,610	28,730	17,692	4,316
2013	18,645	28,431	95,154	134,718	367,456	66,567	98,758	23,582	18,665	3,343
2014	19,795	27,281	101,527	128,345	390,882	43,142	104,190	18,151	19,690	2,317
2015	21,016	26,060	108,326	121,546	285,854	18,223	109,921	12,420	20,774	1,234
2016	22,312	24,764	115,581	114,291	-	-	115,903	6,375	1,654	92
2017	23,688	23,388	123,322	106,550	-	-	-	-	-	-
2018	25,149	21,927	131,581	98,291	-	-	-	-	-	-
2019	26,701	20,375	140,393	89,479	-	-	-	-	-	-
2020	28,347	18,729	149,795	80,077	-	-	-	-	-	-
2021	30,096	16,980	159,827	70,045	-	-	-	-	-	-
2022	31,952	15,124	170,531	59,341	-	-	-	-	-	-
2023	33,923	13,153	181,952	47,920	-	-	-	-	-	-
2024	36,015	11,061	194,138	35,734	-	-	-	-	-	-
2025	38,236	8,840	207,139	22,733	-	-	-	-	-	-
2026	40,595	6,481	221,012	8,860	-	-	-	-	-	-
2027	43,098	3,978	15,408	83	-	-	-	-	-	-
2028	42,734	1,319	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
Totals	\$ 531,985	\$ 359,435	\$ 2,366,789	\$ 1,556,528	\$ 2,019,632	\$ 454,563	\$ 695,216	\$ 161,106	\$ 111,139	\$ 22,654

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009**

Fiscal Year Ending	Revenue Bond of 1996 Series C - S. W. T. Plant		Revenue Bond of 1996 Series D - S. W. T. Plant		Revenue Bond of 1996 Series E - Lanes Creek Sewer		Revenue Bond of 1996 Series F - Dunbar Sewer		Revenue Refunding Bond Series 1998	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 69,339	\$ 214,125	\$ 27,397	\$ 70,751	\$ 5,923	\$ 12,977	\$ 6,209	\$ 13,483	\$ 445,000	\$ 252,870
2011	73,159	210,305	28,907	69,241	6,195	12,705	6,494	13,198	560,000	232,400
2012	77,189	206,275	30,499	67,649	6,480	12,421	6,792	12,900	585,000	206,080
2013	81,442	202,022	32,180	65,968	6,777	12,123	7,104	12,588	615,000	178,000
2014	85,928	197,535	33,953	64,195	7,089	11,811	7,431	12,261	635,000	147,865
2015	90,664	192,801	35,824	62,325	7,414	11,486	7,772	11,920	145,000	116,750
2016	95,658	187,806	37,797	60,351	7,755	11,145	8,129	11,563	155,000	109,500
2017	100,928	182,536	39,879	58,269	8,111	10,789	8,503	11,189	160,000	101,750
2018	106,489	176,975	42,076	56,072	8,484	10,416	8,893	10,799	170,000	93,750
2019	112,356	171,108	44,394	53,754	8,873	10,027	9,302	10,390	185,000	85,250
2020	118,546	164,918	46,840	51,308	9,281	9,619	9,729	9,963	195,000	76,000
2021	125,077	158,387	49,421	48,727	9,707	9,193	10,176	9,516	200,000	66,250
2022	131,968	151,496	52,144	46,004	10,153	8,747	10,644	9,048	205,000	56,250
2023	139,239	144,225	55,017	43,131	10,620	8,280	11,133	8,560	215,000	46,000
2024	146,910	136,554	58,048	40,100	11,108	7,792	11,644	8,048	225,000	35,250
2025	155,004	128,460	61,246	36,902	11,618	7,282	12,179	7,513	235,000	24,000
2026	163,544	119,920	64,620	33,528	12,152	6,748	12,738	6,954	245,000	12,250
2027	172,554	110,910	68,180	29,968	12,710	6,190	13,324	6,369	-	-
2028	182,061	101,403	71,937	26,211	13,294	5,606	13,936	5,756	-	-
2029	192,091	91,373	75,900	22,248	13,904	4,996	14,576	5,116	-	-
2030	202,674	80,790	80,081	18,067	14,543	4,357	15,245	4,447	-	-
2031	213,840	69,624	84,493	13,655	15,211	3,689	15,946	3,746	-	-
2032	225,622	57,842	89,149	8,999	15,910	2,990	16,678	3,014	-	-
2033	238,052	45,412	94,060	4,088	16,641	2,259	17,445	2,248	-	-
2034	251,168	32,296	24,687	225	17,406	1,494	18,246	1,446	-	-
2035	265,005	18,459	-	-	18,205	695	19,084	608	-	-
2036	198,696	4,306	-	-	5,512	48	3,101	17	-	-
2037	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
Totals	\$ 4,015,203	\$ 3,557,863	\$ 1,328,729	\$ 1,051,736	\$ 291,076	\$ 205,885	\$ 302,453	\$ 212,660	\$ 5,175,000	\$ 1,840,215

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009**

Fiscal Year Ending	Revenue Bond of 1999 Series A - Maintenance Bld.		Revenue Bond of 2001 Series B - Woodlands Sewer		Carolina First Beaumont Drive Water		Revenue Refunding Bond of 2001 Series D		Revenue Bond of 2000 Series A - Carvers Bay W & S	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 14,534	\$ 24,706	\$ 3,164	\$ 9,448	\$ 2,750	\$ 6,330	\$ 10,506	\$ 196	\$ 11,438	\$ 36,597
2011	15,297	23,943	3,309	9,303	2,942	6,138	-	-	11,994	36,042
2012	16,099	23,141	3,461	9,151	3,148	5,932	-	-	12,576	35,460
2013	16,944	22,297	3,620	8,993	3,368	5,711	-	-	13,187	34,849
2014	17,833	21,407	3,787	8,825	3,604	5,476	-	-	13,827	34,209
2015	18,769	20,471	3,961	8,651	3,856	5,223	-	-	14,498	33,538
2016	19,754	19,487	4,143	8,469	4,126	4,953	-	-	15,202	32,834
2017	20,790	18,450	4,333	8,279	4,415	4,664	-	-	15,940	32,096
2018	21,881	17,359	4,532	8,080	4,724	4,355	-	-	16,714	31,322
2019	23,029	16,211	4,740	7,872	5,055	4,025	-	-	17,525	30,511
2020	24,237	15,003	4,958	7,654	5,409	3,671	-	-	18,376	29,660
2021	25,509	13,731	5,186	7,426	5,788	3,292	-	-	19,268	28,769
2022	26,848	12,392	5,424	7,188	6,193	2,888	-	-	20,204	27,832
2023	28,256	10,984	5,673	6,940	6,626	2,454	-	-	21,184	26,852
2024	29,739	9,502	5,934	6,678	7,090	1,990	-	-	22,213	25,823
2025	31,299	7,941	6,206	6,406	7,586	1,493	-	-	23,291	24,745
2026	32,942	6,298	6,491	6,121	8,117	962	-	-	24,422	23,614
2027	34,670	4,570	6,790	5,822	8,632	394	-	-	25,608	22,428
2028	36,489	2,751	7,101	5,511	-	-	-	-	26,851	21,185
2029	33,751	842	7,428	5,184	-	-	-	-	28,154	19,882
2030	-	-	7,769	4,843	-	-	-	-	29,521	18,515
2031	-	-	8,126	4,486	-	-	-	-	30,955	17,082
2032	-	-	8,499	4,113	-	-	-	-	32,457	15,579
2033	-	-	8,890	3,722	-	-	-	-	34,033	14,003
2034	-	-	9,298	3,314	-	-	-	-	35,685	12,351
2035	-	-	9,725	2,887	-	-	-	-	37,418	10,619
2036	-	-	10,172	2,441	-	-	-	-	39,234	8,802
2037	-	-	10,639	1,973	-	-	-	-	41,139	6,897
2038	-	-	11,128	1,484	-	-	-	-	43,136	4,900
2039	-	-	11,639	973	-	-	-	-	45,230	2,806
2040	-	-	12,174	438	-	-	-	-	34,389	669
2041	-	-	3,098	23	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
Totals	\$ 488,670	\$ 291,486	\$ 211,398	\$ 182,688	\$ 90,429	\$ 69,951	\$ 10,506	\$ 196	\$ 775,669	\$ 700,471

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009**

Fiscal Year Ending	Revenue Bond of 2002 Series B - West Gtn Reg Sewer		Revenue Bond of 2002 Series C - Penny Royal Sewer		Service Agreement - 33.7% Interest in City of Gtn's Reg WWTP SRF Loan		Revenue Bond of 2003 Series A - N. Causeway Sewer		Carolina First Brock Road Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 60,882	\$ 183,546	\$ 13,941	\$ 49,467	\$ 35,409	\$ 64,628	\$ 17,527	\$ 15,051	\$ 9,143	\$ 13,146
2011	63,679	180,749	14,618	48,790	39,057	60,980	18,272	14,306	9,678	12,611
2012	66,604	177,824	15,327	48,080	42,869	57,169	19,049	13,529	10,244	12,045
2013	69,664	174,764	16,072	47,336	46,850	53,188	19,858	12,720	10,843	11,445
2014	72,865	171,563	16,852	46,556	51,007	49,031	20,702	11,876	11,477	10,811
2015	76,212	168,216	17,670	45,738	55,347	44,690	21,582	10,996	12,149	10,140
2016	79,713	164,715	18,528	44,880	59,877	40,161	22,499	10,079	12,859	9,429
2017	83,375	161,053	19,427	43,981	64,604	35,434	23,455	9,123	13,612	8,677
2018	87,205	157,223	20,370	43,037	69,535	30,502	24,452	8,126	14,408	7,880
2019	91,211	153,217	21,359	42,048	74,679	25,358	25,491	7,087	15,251	7,038
2020	95,401	149,026	22,396	41,012	80,044	19,994	26,575	6,003	16,143	6,145
2021	99,783	144,644	23,484	39,924	85,637	14,401	27,704	4,874	17,087	5,201
2022	104,368	140,059	24,624	38,784	91,467	8,570	28,882	3,696	18,087	4,201
2023	109,162	135,265	25,819	37,589	72,574	2,454	30,109	2,469	19,145	3,143
2024	114,178	130,250	27,073	36,335	-	-	27,982	1,189	20,265	2,023
2025	119,423	125,005	28,387	35,021	-	-	-	-	14,322	838
2026	124,910	119,518	29,765	33,643	-	-	-	-	-	-
2027	130,648	113,780	31,210	32,198	-	-	-	-	-	-
2028	136,650	107,778	32,725	30,683	-	-	-	-	-	-
2029	142,928	101,500	34,314	29,094	-	-	-	-	-	-
2030	149,494	94,934	35,980	27,428	-	-	-	-	-	-
2031	156,362	88,066	37,727	25,681	-	-	-	-	-	-
2032	163,545	80,883	39,558	23,850	-	-	-	-	-	-
2033	171,058	73,370	41,479	21,928	-	-	-	-	-	-
2034	178,916	65,512	43,492	19,915	-	-	-	-	-	-
2035	187,136	57,292	45,604	17,804	-	-	-	-	-	-
2036	195,733	48,695	47,818	15,590	-	-	-	-	-	-
2037	204,725	39,703	50,139	13,268	-	-	-	-	-	-
2038	214,130	30,298	52,573	10,834	-	-	-	-	-	-
2039	223,967	20,462	55,126	8,282	-	-	-	-	-	-
2040	234,256	10,172	57,802	5,606	-	-	-	-	-	-
2041	98,291	1,090	60,608	2,799	-	-	-	-	-	-
2042	-	-	25,880	306	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
Totals	\$ 4,106,474	\$ 3,570,172	\$ 1,047,747	\$ 1,007,487	\$ 868,956	\$ 506,560	\$ 354,139	\$ 131,124	\$ 224,713	\$ 124,773

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009**

Fiscal Year Ending	Revenue Bond of 2005		1st Citizens		Revenue Bond of 2007		Revenue Bond of 2008		Revenue Bond of 2009	
	Series A - Choppee Sewer		Cherokee Drive Water		Series A - Georgetown Office		Series A - South Causeway Sewer		Series A - South Causeway Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 15,507	\$ 51,681	\$ 7,899	\$ 7,321	\$ 18,268	\$ 63,524	\$ 31,238	\$ 38,870	\$ 12,861	\$ 18,153
2011	16,159	51,029	177,023	7,008	19,036	62,756	32,527	37,581	13,440	17,574
2012	16,838	50,350	-	-	19,837	61,955	33,868	36,240	14,045	16,969
2013	17,546	49,642	-	-	20,671	61,121	35,266	34,843	14,677	16,337
2014	18,284	48,904	-	-	21,540	60,252	36,720	33,389	15,337	15,678
2015	19,053	48,135	-	-	22,445	59,347	38,235	31,873	16,027	14,987
2016	19,854	47,334	-	-	23,389	58,403	39,812	30,296	16,748	14,266
2017	20,688	46,500	-	-	24,372	57,420	41,454	28,654	17,502	13,512
2018	21,558	45,630	-	-	25,396	56,396	43,164	26,944	18,290	12,724
2019	22,464	44,724	-	-	26,464	55,328	44,945	25,163	19,113	11,901
2020	23,408	43,780	-	-	27,577	54,215	46,799	23,309	19,973	11,041
2021	24,393	42,795	-	-	28,736	53,056	48,729	21,379	20,872	10,142
2022	25,419	41,770	-	-	29,944	51,848	50,739	19,369	21,811	9,203
2023	26,487	40,701	-	-	31,203	50,589	52,832	17,276	22,792	8,222
2024	27,600	39,588	-	-	32,514	49,278	55,012	15,096	23,818	7,196
2025	28,760	38,428	-	-	33,881	47,911	57,281	12,827	24,890	6,124
2026	29,968	37,219	-	-	35,306	46,486	59,644	10,464	26,010	5,004
2027	31,229	35,959	-	-	36,790	45,002	62,104	8,004	27,180	3,834
2028	32,542	34,646	-	-	38,337	43,456	64,666	5,442	28,403	2,611
2029	33,910	33,278	-	-	39,948	41,844	67,264	2,775	29,614	1,333
2030	35,336	31,852	-	-	41,628	40,165	-	-	-	-
2031	36,821	30,367	-	-	43,376	38,415	-	-	-	-
2032	38,369	28,819	-	-	45,200	36,591	-	-	-	-
2033	39,982	27,206	-	-	47,101	34,691	-	-	-	-
2034	41,663	25,525	-	-	49,081	32,711	-	-	-	-
2035	43,415	23,774	-	-	51,145	30,647	-	-	-	-
2036	45,239	21,949	-	-	53,295	28,497	-	-	-	-
2037	47,141	20,047	-	-	55,535	26,257	-	-	-	-
2038	49,123	18,065	-	-	57,870	23,922	-	-	-	-
2039	51,188	16,000	-	-	60,303	21,489	-	-	-	-
2040	53,340	13,848	-	-	62,838	18,954	-	-	-	-
2041	55,582	11,606	-	-	65,479	16,314	-	-	-	-
2042	57,919	9,269	-	-	68,231	13,561	-	-	-	-
2043	60,354	6,835	-	-	71,100	10,692	-	-	-	-
2044	62,891	4,297	-	-	74,089	7,703	-	-	-	-
2045	65,535	1,653	-	-	77,204	4,588	-	-	-	-
2046	4,358	15	-	-	69,145	1,358	-	-	-	-
Totals	\$ 1,259,923	\$ 1,163,220	\$ 184,922	\$ 14,329	\$ 1,548,274	\$ 1,466,742	\$ 942,299	\$ 459,794	\$ 403,403	\$ 216,811

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF DEBT SERVICE TO MATURITY - REVENUE BONDS AND SERVICE AGREEMENT PAYABLE
YEAR ENDED JUNE 30, 2009**

Fiscal Year Ending	Totals		
	Principal	Interest	P & I
2010	\$ 1,318,124	\$ 1,503,002	\$ 2,821,126
2011	1,642,142	1,431,624	3,073,766
2012	1,543,406	1,345,009	2,888,415
2013	1,629,747	1,260,588	2,890,335
2014	1,709,320	1,170,880	2,880,200
2015	1,152,369	1,076,770	2,229,139
2016	896,293	1,011,193	1,907,486
2017	818,398	962,314	1,780,712
2018	864,901	917,808	1,782,709
2019	918,345	870,866	1,789,211
2020	968,834	821,127	1,789,961
2021	1,016,480	768,732	1,785,212
2022	1,066,402	713,810	1,780,212
2023	1,098,746	656,207	1,754,953
2024	1,076,281	599,487	1,675,768
2025	1,095,748	542,469	1,638,217
2026	1,137,236	484,070	1,621,306
2027	717,135	429,489	1,146,624
2028	727,726	394,358	1,122,084
2029	713,782	359,465	1,073,247
2030	612,271	325,398	937,669
2031	642,857	294,811	937,668
2032	674,987	262,680	937,667
2033	708,741	228,927	937,668
2034	669,642	194,789	864,431
2035	676,737	162,785	839,522
2036	598,800	130,345	729,145
2037	409,318	108,145	517,463
2038	427,960	89,503	517,463
2039	447,453	70,012	517,465
2040	454,799	49,687	504,486
2041	283,058	31,832	314,890
2042	152,030	23,136	175,166
2043	131,454	17,527	148,981
2044	136,980	12,000	148,980
2045	142,739	6,241	148,980
2046	73,503	1,373	74,876
Totals	\$ 29,354,744	\$ 19,328,459	\$ 48,683,203

Note: The Farmer's Home Administration (FmHA) computes interest on the above bonds on a daily basis through the date that payment is actually received. This schedule has been prepared on a normal amortization basis. Therefore, actual allocation of principal and interest will vary slightly due to the different methods and will require that this schedule be adjusted each year to give the exact unpaid balances.

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
SCHEDULE OF INSURANCE IN FORCE
YEAR ENDED JUNE 30, 2009**

<u>Insurer</u>	<u>Policy Number</u>	<u>Coverage Dates</u>		<u>Premium</u>	<u>Prepaid</u>	<u>Type of Account</u>
		<u>Issued</u>	<u>Expires</u>			
South Carolina Workmen's Compensation State Accident Fund	10-100421-2	01/01/09	12/31/09	\$ 63,863	\$ -	Workmen's Compensation as Required by State Law
State of South Carolina Division of Insurance Services	C130220209	08/09/08	08/09/09	7,595	817	Auto Collision and Comprehensive \$ 200 deductible - comprehensive \$ 500 deductible - collision
State of South Carolina Division of Insurance Services	L130220209	08/09/08	08/08/09	23,750	2,492	Auto Liability Coverage Limits: Bodily Injury/Property Damage, Combined Single Limit: \$1,000,000 Per occurrence Medical Payments \$ 1,000 each person Uninsured Motorist - Basic Limits
State of South Carolina Division of Insurance Services	F130220209	08/09/08	08/09/09	46,279	4,986	Building and Personal Property Building \$ 47,297,060 Contents \$ 1,265,000
State of South Carolina Division of Insurance Services	T130220209	08/09/08	08/09/09	23,152	2,489	Tort Liability Insurance \$ 250 Deductible Property Damage Coverage Limits: Clerical \$ 1,000,000 Maintenance \$ 1,000,000 Directors \$ 1,000,000 Others \$ 1,000,000 Sewer back-up \$ 5,000 each occurrence
State of South Carolina Division of Insurance Services	D130220209	08/09/08	08/09/09	998	107	Data Processing Policy Deductible \$250 Breakdown Deductible \$ 1,000 Coverage \$ 350,000
State of South Carolina Division of Insurance Services	M130220209	08/09/08	08/09/09	14,001	1,513	Inland Marine - Agricultural Equipment Deductible of 2% with \$ 500 Min Per Item Coverage \$ 1,330,994 - 08 \$ 109,611 - 08A \$ 7,380 - 08B
State of South Carolina Division of Insurance Services	B130220209C	08/09/08	08/09/09	8,728	939	Business Interruption Policy Coverage \$ 8,923,995
Zurich North American	12206103930	12/20/08	12/20/09	4,735	2,113	Fidelity Bond Policy Executive Director - \$ 2,033,000
Totals				<u>\$ 193,101</u>	<u>\$ 15,456</u>	

**GEORGETOWN COUNTY WATER AND SEWER DISTRICT
WEST GEORGETOWN INTERCEPTOR TRUE-UP CALCULATION
FOR THE YEAR ENDED JUNE 30, 2009**

Interceptor Operating Expenses

Personnel	\$ 1,141
Contractual services	54,587
Supplies and materials	16,292
Indirect cost allocation	1,896
Total Operating Expenses to be Allocated	\$ 73,916

Flows (Actual Mgs)	Allocation Ratio	Allocated Expenses
217.8	81.12%	\$ 59,959
50.7	18.88%	13,957
<u>268.5</u>	<u>100.00%</u>	<u>\$ 73,916</u>

Allocation of Expenses to Partners

Town of Andrews	
Georgetown County Water and Sewer District	

Calculation of Amounts due to Town of Andrews from District

Actual operating expenses allocated to Town of Andrews	\$ 59,959
Less: volume charges billed to Town of Andrews	81,238
Adjustment due to Town of Andrews	<u>\$ (21,279)</u>