PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2010

NEW ISSUE
BOOK-ENTRY-ONLY

RATINGS: Moody's Investors Service: "____"
Standard & Poor's: "____"
(See "Ratings" Herein)

In the opinion of Bond Counsel, assuming continuing compliance by the County with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Bonds is not an item of tax preference in computing the alternative minimum taxable income of individuals or corporations nor will interest on the Bonds be included in the computation of adjusted current earnings of corporations for purposes of alternative minimum tax for corporations. See "TAX EXEMPTION" for a brief description of alternative minimum tax treatment and certain other federal income tax consequences to certain recipients of interest on the Bonds. The Bonds and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. The Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT
Relating to the Issuance of
$6,400,000 GENERAL OBLIGATION BONDS, SERIES 2010
OF LAURENS COUNTY, SOUTH CAROLINA

The $6,400,000 General Obligation Bonds, Series 2010 (the "Bonds"), will be general obligation bonds of Laurens County, South Carolina (the "County"), and as such the full faith, credit, resources and taxing power of the County will be irrevocably pledged for the payment thereof. See "THE BONDS - Security" herein.

The Bonds are issuable in fully registered form and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Bonds will be made. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in the principal amounts of $5,000 or any whole multiple thereof. So long as Cede & Co. as nominee of DTC is the registered owner of the Bonds, references herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest on the Bonds are payable to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System." ________________________________ will serve as Registrar and Paying Agent for the Bonds.

The Bonds will be dated the date of delivery thereof which is expected to be July 27, 2010, and will mature on March 1 in each of the years and in the principal amounts and bear interest at the rates shown below. Interest on the Bonds is first payable on March 1, 2011, and semiannually thereafter on each March 1 and September 1 until the Bonds are paid in full. The Bonds maturing on and after March 1, 2021 shall be subject to redemption in whole or in part at any time on and after March 1, 2020 at par, as further provided herein.

Due March 1	Principal Amount	Interest Rate	Reoffering Price	Due March 1	Principal Amount	Interest Rate	Reoffering Price
2011	$40,000			2019	$530,000		
2012	75,000			2020	550,000		
2013	90,000			2021	580,000		
2014	55,000			2022	605,000		
2015	450,000			2023	630,000		
2016	465,000			2024	655,000		
2017	485,000			2025	685,000		
2018	505,000						

The interest rates are the result of a successful proposal from a syndicate headed by ______________________. The reoffering information has been provided by such company submitting the winning proposal.

The Bonds are offered when, as and if issued and subject to the approving opinion as to legality of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina. It is expected that the Bonds in definitive form will be available for delivery on or about July 27, 2010.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. The County deems the Preliminary Official Statement to be final as of its date for purposes of S.E.C. Rule 15c2-12 except for information which may be omitted therefrom pursuant to Rule 15c2-12.

This Official Statement is dated ________, 2010.

No dealer, broker, salesman or other person has been authorized by Laurens County, South Carolina (the "County") to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representation may not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the County and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

This Preliminary Official Statement has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), but is subject to revision, amendment and completion in a final official statement as provided in the Rule.

LAURENS COUNTY, SOUTH CAROLINA

COUNTY COUNCIL

James A. Coleman, Chairman
Diane B. Anderson, Vice Chairman
Edward A. McDaniel
Ted G. Nash
P. Keith Tollison
David E. Tribble, Jr.
Joseph E. Wood, Jr.

Ernest B. Segars
County Administrator

A. Sandy Cruickshanks, IV
County Attorney

BOND COUNSEL

Haynsworth Sinkler Boyd, P.A.
Columbia, South Carolina

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OFFICIAL NOTICE OF SALE
$6,400,000
GENERAL OBLIGATION BONDS, SERIES 2010, OF
LAURENS COUNTY, SOUTH CAROLINA

Time and Place of Sale: **NOTICE IS HEREBY GIVEN** that sealed proposals, addressed to the undersigned, will be received by the Laurens County Council, the governing body of Laurens County, South Carolina (the "County"), until 11:00 o'clock a.m. (local time) on

THURSDAY, JULY 15, 2010

at which time said proposals will be publicly opened in the offices of Haynsworth Sinkler Boyd, P.A., 1201 Main Street, 22nd Floor, Columbia, South Carolina 29201, for the purchase of **$6,400,000 GENERAL OBLIGATION BONDS, SERIES 2010, OF LAURENS COUNTY, SOUTH CAROLINA** (the "Bonds"). The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Details of the Bonds: The Bonds will be issued initially under the DTC book-entry-only system in the form of single, fully registered bonds in the aggregate principal amount maturing in each year, registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be dated the date of delivery thereof which is expected to be July 27, 2010; will be numbered from R-1 upward; and will mature serially in successive annual installments, on March 1 in each of the years and in the principal amounts as follows:

Due March 1	Principal Amount	Due March 1	Principal Amount
2011	$40,000	2019	$530,000
2012	75,000	2020	550,000
2013	90,000	2021	580,000
2014	55,000	2022	605,000
2015	450,000	2023	630,000
2016	465,000	2024	655,000
2017	485,000	2025	685,000
2018	505,000		

SAID BONDS will bear interest from July 27, 2010, the date of delivery thereof, at a rate or rates to be named by the bidder, payable on March 1 and September 1 of each year (the "Bond Payment Dates") commencing March 1, 2011, until they respectively mature. Both principal and interest will be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the Corporate Trust Office of the Registrar and Paying Agent of the Bonds.

Registrar and Paying Agent: A financial institution will be selected by the County to serve as Registrar and Paying Agent. However, the County may determine to allow the successful bidder for the Bonds to name the Registrar and Paying Agent subject to the County's approval of the institution so nominated. So long as the Bonds remain outstanding in book-entry form with DTC, all payments of principal and interest with respect to the Bonds shall be through the facilities of DTC.

Redemption Provisions: All Bonds maturing on and after March 1, 2021, shall be subject to redemption at the option of the County in whole or in part at any time on and after March 1, 2020 at par, together with accrued interest to the date fixed for redemption.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which such Bonds are to bear, to be expressed in multiples of 1/20th or 1/8th of 1% with no greater difference than 2% between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for the Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, or at a price less than par, will not be considered. Any premium offered must be paid as part of the purchase price of the Bonds at the delivery thereof.

Award of Bonds: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest net interest cost (NIC) to the County from the date of delivery of the Bonds, excluding accrued interest. The County reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 4:00 p.m. (local time) on the day of the sale.

Bid Submission-Facsimile: The County will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the bidder. The County shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of Theodore DuBose, fax number 803.540.7721.

Bid Submission-PARITY: All bids other than facsimile bids for the purchase of the Bonds must be submitted to the County through the Parity Electronic Bid Submission System ("*PARITY*"). No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. The time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted. Bids must be received by the County, before the time stated above. No proposal shall be considered which is not actually received by the County at the place, date and time appointed through *PARITY* or facsimile transmission, and the County shall not be responsible for any delay, failure, misdirection or error in the transmission of bids.

The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about *PARITY* may be obtained from *PARITY*, 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

Municipal Bond Insurance. If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder.

Purpose: The Bonds are issued for the purpose of providing funds to finance the costs of the renovation and expansion of the County detention center and defraying the cost and expenses of issuance of the Bonds.

Security: The Bonds shall constitute binding general obligations of the County and the full faith, credit, resources and taxing power of the County are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as all other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Official Statement: The Preliminary Official Statement dated July 8, 2010 has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com.

The County will furnish at its cost a sufficient number of copies of the final Official Statement to allow the successful bidder for the Bonds to comply with the Rule within seven (7) working days of the acceptance of a bid for the purchase of the Bonds.

Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, the County will undertake, pursuant to the bond ordinance authorizing the issuance of the Bonds and a Continuing Disclosure Certificate, to annually file a report containing its audited financial statements and certain financial information and operating data, and, in addition, to provide notice of certain material events. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.

Closing Certificates: The County shall furnish upon delivery of the Bonds the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, together with closing proofs including (a) a certificate that there is no litigation threatened or pending to restrain the issuance or sale of said Bonds, (b) a certificate establishing that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations as in effect on the occasion of the delivery of the Bonds, and (c) certification by an appropriate official to the effect that the Official Statement, as of its date and as of the date of delivery of the Bonds does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

Certificates as to Issue Price and Yield: The successful bidder for the Bonds must provide a certificate to the County not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. As a condition precedent to the delivery of the Bonds and in order to assist the County in compliance with applicable federal tax law, bidders must certify to the County the "yield" on the Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.

Delivery: The Bonds will be delivered on or about July 27, 2010 through the facilities of DTC at the expense of the County, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the County.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information: Persons seeking information should communicate with Mr. Ernest Segars, County Administrator, Laurens County, 3 Catherine Street, Laurens, South Carolina 29360, telephone (864) 984-5484 or Theodore B. DuBose, Bond Counsel, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Columbia, South Carolina 29201, telephone (803) 540-7830.

This Notice is given to evidence the County's intent to receive bids for and award the Bonds on the date stated above. Such sale may be postponed prior to the time bids are to be received and as published on Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids on Thomson Municipal Market Monitor, Bloomberg, i-dealprospectus.com or other electronic information service.

County Administrator
Laurens County, South Carolina

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is expressly qualified by reference to the entire contents hereof, including appendices, as well as of the documents summarized or described herein.

The Issuer

The $6,400,000 General Obligation Bonds, Series 2010 (the "Bonds") are being issued by Laurens County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State").

Security

For the payment of principal of and interest on the Bonds, the full faith, credit, resources and taxing power of the County are irrevocably pledged. See "THE BONDS - Security" herein.

Purpose of the Bonds

The Bonds are issued for the purpose of providing funds to finance the costs of the renovation and expansion of the County detention center, and defraying the cost and expenses of issuance of the Bonds.

The Bonds

The Bonds will be general obligation bonds of the County; will be issuable in fully registered form and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"); will be dated as of July 27, 2010, the date of delivery; and will bear interest from their dated date at the rates shown on the cover hereof, payable initially on March 1, 2011, and semiannually thereafter on March 1 and September 1 of each year until they mature. The Bonds will mature serially in successive annual installments on March 1 in each of the years and in the principal amounts set forth on the cover hereof. All Bonds maturing on and after March 1, 2021, shall be subject to redemption at the option of the County in whole or in part at any time on and after March 1, 2020 at par, together with accrued interest to the date fixed for redemption. See "THE BONDS" for further information.

Tax Status of Interest on the Bonds

In the opinion of Bond Counsel, subject to the conditions and limitations stated therein, interest on the Bonds will be excludable from gross income for Federal income tax purposes and will not constitute an item of tax preference for purposes of the alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Under the present laws of the State of South Carolina, the Bonds and the interest thereon will be exempt from all State, county, municipal, school district, and all other taxes and assessments, direct or indirect, general and special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest thereon may be includable for certain franchise fees or taxes. See "LEGAL MATTERS - Tax Exemption" herein.

Professionals Involved in the Offering

Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, is acting as Bond Counsel. ____ will serve as the Registrar/Paying Agent for the Bonds.

Independent Auditors

The Financial Statements for the fiscal year ended June 30, 2009 (the "2008-09 Fiscal Year"), included as Appendix A, have been audited by Elliott Davis, LLC, Greenwood, South Carolina, as stated in their report appearing in Appendix A.

Authorization

By virtue of Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended, and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended (collectively, the "Enabling Act"), the County is empowered to issue general obligation bonds for any "authorized purpose" as defined in the Bond Ordinance.

Section 14 of Article X of the Constitution of the State of South Carolina (the "Constitution") provides that the counties of the State may issue bonded indebtedness, if not first authorized by referendum, in an amount not exceeding eight percent (8%) of the assessed value of all taxable property therein , and provides further that no bonded indebtedness incurred on or prior to November 30, 1977, shall be charged against such eight percent (8%) debt limitation. The assessed value of all taxable property located within the County, excluding property subject to a fee in lieu of taxes, as certified by the County Auditor for the year 2009, which is the last completed assessment thereof, is the sum of $147,558,377, and thus the eight percent (8%) debt limit of the County is $11,804,670. The County has outstanding $1,325,000 aggregate principal amount of general obligation debt chargeable against the eight percent (8%) limit. Thus, the Council may issue the sum of $10,479,670 general obligation debt without the authorizing referendum required by Section 14(6) of the Constitution.

An ordinance (the "Bond Ordinance") authorizing the issuance of the Bonds was adopted by the County Council of the County on November 24, 2009.

Information Concerning Terms of the Offering

The Bonds are being issued in book-entry-only form. It is expected that the Bonds will be delivered to Cede & Co., at the offices of DTC, on or about July 27, 2010, and will be available for credit to the accounts of the participants and, through them, the Beneficial Owners on such date. Information on limitations on transfer of ownership is set forth in "THE BONDS - Book-Entry-Only System" and "THE BONDS - Discontinuance of Book-Entry-Only System."

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Preliminary Official Statement and the Official Statement will be deposited with the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, Virginia 22314. Copies of the Preliminary Official Statement, the Official Statement, the ordinance of the County Council authorizing the issuance of the Bonds and related documents and information are available by contacting Mr. Ernest Segars, County Administrator, Laurens County, Post Office Box 445, Laurens, South Carolina 29360, telephone (864) 984-5484 or Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A., Bond Counsel, Post Office Box 11889, Columbia, South Carolina 29211, telephone (803) 540-7830.

THE BONDS

Description

The Bonds constitute an issue of $6,400,000 General Obligation Bonds, Series 2010, of Laurens County, South Carolina (the "County"). The Bonds mature on March 1 in the years and in the principal amounts as follows:

Due March 1	Principal Amount	Due March 1	Principal Amount
2011	$40,000	2019	$530,000
2012	75,000	2020	550,000
2013	90,000	2021	580,000
2014	55,000	2022	605,000
2015	450,000	2023	630,000
2016	465,000	2024	655,000
2017	485,000	2025	685,000
2018	505,000		

The Bonds will be issued in fully registered book-entry-only form; will be dated as of July 27, 2010, the date of delivery; and will bear interest from the date thereof, payable initially on March 1, 2011, and semiannually thereafter on March 1 and September 1 of each year until they mature; and will mature serially on March 1 in each of the years and in the principal amounts as shown on the front cover hereof. The Bonds shall be issued under the DTC Book-Entry-Only System in the denominations of $5,000 or integral multiples thereof, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. ________________________ shall serve as Registrar and Paying Agent for the Bonds for so long as the same are held under a Book-Entry-Only System ("Registrar/Paying Agent").

Book-Entry-Only System

Beneficial ownership interests in the Bonds will be available only in book-entry form. Beneficial Owners (as defined below) will not receive physical certificates representing their interests in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, references in this Official Statement to the Owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. The Bond Ordinance contains provisions applicable to periods when DTC or its nominee is not the registered owner.

THE FOLLOWING DESCRIPTION OF DTC, OF PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, as set forth on the front cover of this Official Statement, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial

Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, the Treasurer of Laurens County, and the Registrar/Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as security depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered to the Beneficial Owners as described in the Bond Ordinance (as defined herein in "Authorization"). The Beneficial Owners of the Bonds, upon registration of certificates held in the Beneficial Owners' names, will become the registered owners of the Bonds.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Issuer has no responsibility or obligation to the Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Bond Ordinance to be given to Owners; or (4) any consent given or other action taken by DTC or its nominee as the registered owner of the Bonds, including any action taken pursuant to an omnibus proxy.

BECAUSE DTC IS TREATED AS THE OWNER OF THE BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE BOND ORDINANCE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE COUNTY, TO DTC OR TO THE REGISTRAR/PAYING AGENT, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER.

Discontinuance of Book-Entry-Only System

In the event that the Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the County will execute and deliver the Bonds in fully registered form to the beneficial owners of the Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named, interest on the Bonds will be paid by check or draft of the Registrar/Paying Agent, mailed to the person in whose name the bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the Registered Owner at maturity upon presentation and surrender thereof to the Registrar/Paying Agent at its principal corporate trust office. In such event, the County will maintain through the Registrar/Paying Agent books of registry for the purpose of registering ownership and transfer of the Bonds. The Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Registrar/Paying Agent will, upon receipt thereof, authenticate and deliver a new Bond or Bonds in like principal amount as the Bond so presented. The County and the Registrar/Paying Agent will deem and treat the person in whose name each Bond is registered as the absolute owner thereof for all purposes.

Defeasance

If all of the Bonds and all interest thereon shall have been paid and discharged, then the obligations of the County under the Bond Ordinance and all other rights granted thereby shall cease and determine. The Bonds shall be deemed to have been paid and discharged under any of the following circumstances, viz.:

(i) If the Registrar/Paying Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(ii) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of payment shall have been made, and at such time as the Registrar/Paying Agent shall hold in trust and irrevocably appropriated thereto sufficient moneys for the payment thereof to the date of the tender of payment; or

(iii) If the County shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Paying Agent or Escrow Agent, as the case may be, in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which, together with moneys, if any, deposited with said Paying Agent or Escrow Agent at the same time, shall be sufficient to pay, when due, the Principal Installment or Redemption Price and interest due and to become due on the Bonds on and prior to their maturity dates or redemption dates, as the case may be.

As used in this section "Government Obligations" means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

Optional Redemption

All Bonds maturing on and after March 1, 2021, shall be subject to redemption at the option of the County in whole or in part at any time on and after March 1, 2020 at par, together with accrued interest to the date fixed for redemption. Partial redemptions of Bonds shall be made of such maturities of Bonds as determined by the County.

When any Bonds are to be redeemed, the Registrar/Paying Agents hall give notice of the redemption of the Bonds in the name of the County specifying (i) the Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar/Paying Agent shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all Bonds or portions of Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of Bonds held by Holders to whom written notice has been mailed.

Purpose

The Bonds are issued for the purpose of providing funds to finance the costs of the renovation and expansion of the County detention center, and defraying the cost and expenses of issuance of the Bonds.

Security

For the payment of principal of and interest on the Bonds, the full faith, credit, resources and taxing power of the County will be irrevocably pledged, and there will be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as County taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on such portion of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Additional Security for the Bonds

Article X, Section 14, Paragraph (5) of the Constitution of the State of South Carolina, 1895, as amended, provides:

> If at any time any political subdivision shall fail to effect the punctual payment of the principal and interest of its general obligation debt, the State Treasurer shall withhold from such political subdivision sufficient moneys from any state appropriation to which such political subdivision may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the political subdivision then due.

As is the case with the enforcement of the pledge of the full faith, credit and taxing powers of the County, mandamus may be available to require the State Treasurer to fulfill the duty imposed by the provision of Article X referred to above.

The following table shows the amount of State General Fund appropriations subject to being so withheld which were received by the County for the fiscal years shown below:

Fiscal Year Ended June 30	Amount Received
2010[1]	$3,643,850
2009	4,000,928
2008	4,208,240
2007	3,625,699
2006	3,432,926
2005	3,418,985

[1] Budgeted.

Miscellaneous

Neither the Bonds nor any of the documents relating to their issuance contain any covenants or periodic reporting requirements that could result in a default. Payment of principal of and interest on the Bonds may be enforced against the County, and the pledge of the full faith, credit and taxing power is enforceable by mandamus. The Bonds contain no provision for amendment of any of the terms thereof.

THE COUNTY

General Description

Laurens County (the "County") is located in the northwestern section of the State and is bounded by Greenville, Spartanburg and Union Counties to the North, Newberry to the East and Greenwood and Abbeville Counties to the Southwest. The County covers 722 square miles, and includes the incorporated municipalities of Laurens, Clinton, Gray Court, Cross Hill and Waterloo. The County is one of the oldest counties in the State, having been created by the division of the old Ninety Six District in 1785. Because of the County's close proximity to Greenville and Spartanburg and the excellent highway system which connects the three cities, the available workforce is double the County's population, which was 69,656 in 2000.

Form of Government

The County operates under the Council form of government in accordance with Title 4, Chapter 9 of the Code of Laws of South Carolina 1976, as amended (known as the "Home Rule Act"). The County Council is comprised of seven single member districts. Council members are elected to four-year terms. The County Council bi-annually elects one member to serve as Chairman, one member to serve as Vice-Chairman and one member to serve as Secretary.

The County Council is responsible for adopting an annual budget for all County departments, setting a tax rate, and levying *ad valorem* taxes necessary to carry out County functions and paying County indebtedness. The Council employs a County Administrator who acts as the administrative head of the County government and is responsible for the administration of all departments of the County government which the Council controls. The County Administrator serves at the pleasure of the County Council. The powers and duties of the County Administrator include: (1) executing policies, directives and legislative actions of the Council; (2) directing operation and administrative activities of the County; (3) preparing annual budgets; (4) supervising the expenditure of funds; and (5) employing and discharging personnel.

The present members of the Laurens County Council, their respective occupations and years of service, are as follows:

Name	Occupation	Years of Service
James A. Coleman, Chairman	Small Business Owner - Insurance	15 years
Diane B. Anderson, Vice Chair	Retired – School Teacher	17 years
Edward A. McDaniel	Small Business Owner - several	21 years
Ted G. Nash	Retired – Small Business	7 years
P. Keith Tollison	Manufacturing – Sales	3 years
David E. Tribble, Jr.	Insurance	5 years
Joseph E. Wood, Jr.	Small Business Owner – Metal working	7 years

Mr. Ernest B. Segars is County Administrator, and has served in this position since June 20, 1988. Mr. Segars graduated from Wofford College with a Bachelor's degree in History, and earned a Master's Degree from the University of South Carolina. Mr. Segars is a former employee of the Upper Savannah Council of Governments in Greenwood, SC.

In addition to an elected County Council, various county officers are also elected including the County Auditor, County Treasurer, Clerk of Court, Coroner, Probate Judge and Sheriff.

Services Provided By the County

The County provides various local services which are funded primarily from the County's ad valorem tax levy as reflected in its annual budget for the 2009-10 Fiscal Year. The County also collects fees and user charges to offset the cost of providing certain of these services. See "FINANCIAL AND TAX INFORMATION - County Operating Revenues." In order to provide these services, the County, in its 2009-10 Fiscal Year Budget, authorized approximately 337 full time equivalent positions, consisting of:

Services	Full Time Equivalent
General Government	97
Public Safety	184
Public Works	34
Health and Welfare	3
Culture and Recreation	19
Total	337

Services Provided By Other Governmental Entities

Several municipalities within the County also provide some of the services listed above and additional services not provided by the County. Several special purpose districts within the County created by State legislation provide waterworks and sewer services within their respective service areas.

Law enforcement for the County is maintained by a staff of seven (7) in administrative positions, sixty-eight (68) employees in operations and support and thirty-seven (37) employees at the County Jail.

Emergency Medical Services serve County residents through four (4) stations and sixty-two (62) full-time employees.

The Laurens County Fire Department, a special tax district consisting of the entire unincorporated area of the County, currently employs eleven (11) salaried firefighters and is comprised of thirteen (13) volunteer fire departments and one career department. The majority of firefighters in the County are volunteers. The County Council controls county funding to all fire departments and makes decisions on funding based on recommendations from the Fire Coordinators' Office, which receives funding requests from all fire departments.

Solid Waste Disposal

Effective June 30, 2008, the County ceased operations at its inert materials landfill for debris waste. The landfill capacity was substantially depleted and management believes there will be no significant additional costs associated with the closing of the facility. Solid household and commercial waste is disposed by an independent contractor in its landfill located outside the County. Refuse collection is handled directly by the municipalities or franchised by the County to private contractors.

Waterworks and Sewer Facilities

The City of Clinton and the City of Laurens each provide waterworks and sewer service within their respective corporate limits and certain areas adjacent thereto. Waterworks and sewer services to certain unincorporated portions of the County are provided by the Laurens County Water and Sewer Commission, a special purpose district.

FINANCIAL AND TAX INFORMATION

Five Year Summary of General Fund Operations

The following table sets forth a summary of the County's General Fund operations as of June 30 of each of the years shown:

REVENUES	2005	2006	2007	2008	2009
Taxes	$10,847,035	$11,915,450	$14,424,374	$15,516,201	$13,207,860
Licenses and permits	453,139	445,523	476,368	434,272	472,243
Intergovernmental	5,424,462	5,766,647	6,496,294	7,292,762	13,260,031
Charges for services	4,868,679	5,468,684	6,003,392	6,716,250	6,777,853
Interest and investment income	28,945	73,267	99,324	106,643	49,634
Miscellaneous	1,960,020	255,180	324,140	201,611	73,189
Total Revenues	$23,582,280	$23,924,751	$27,823,892	$30,267,739	$33,840,810
EXPENDITURES					
General government	$7,494,448	$9,758,418	$9,970,066	$11,063,545	$12,046,073
Public safety	9,995,794	9,075,221	9,771,249	10,262,410	11,435,745
Public works	4,929,040	5,381,675	4,062,179	4,455,207	5,051,697
Health and welfare	99,816	88,274	109,781	233,312	241,004
Culture and recreation	745,956	669,764	679,064	701,041	775,656
Intergovernmental/private non-profit	337,318	399,385	379,889	361,322	426,275
Economic development	2,006,977	--	--	--	3,139,175
Miscellaneous	548,263	392,771	497,467	--	--
Total Expenditures	$26,157,612	$25,765,508	$25,469,695	$27,076,837	$33,115,625
Excess of revenues over (under) Expenditures	(2,575,332)	(1,840,757)	2,354,197	3,190,902	725,185
Other Financing Sources (Uses):					
General obligation bonds issued	2,500,000	1,550,000	--	--	--
Capital lease agreements	--	--	614,450	390,717	350,063
Bond proceeds	--	--	--	117,431	--
Total Other Financing Sources (Uses)	2,500,000	1,550,000	614,450	508,148	350,063
Net change in Fund Balances	(75,332)	(290,757)	2,968,647	3,699,050	1,075,248
Fund Balances, Beginning of Year,	416,103	1,061,475	770,718	3,085,763	6,784,813
Prior period adjustment	720,704	--	(653,602)	--	--
Restated Fund Balances, Beginning of Year	$1,136,807	$ --	$117,116	$ --	$ --
Fund Balances, End of Year	$1,061,475	$770,718	$3,085,763	$6,784,813	$7,860,061

The County's general fund balance as of June 30, 2010 is estimated to be $8,860,001, approximately $8,300,000 of which is undesignated .
Source: Audited financial statements of the County.

Financial Statements

The financial statements of the County for the years ended June 30, 2005 through June 30, 2009 were audited by Elliott Davis, LLC, Greenwood, South Carolina, Certified Public Accountants. A copy of the general purpose financial statements of the County for the year ended June 30, 2009 is attached to this Official Statement as Appendix A. Copies of complete audited financial statements for the year ended June 30, 2009 and prior years are available for inspection in the office of Mr. Ernest Segars, County Administrator, 3 Catherine Street, Laurens, South Carolina 29360, telephone (864) 984-5484.

Budget Procedure and Accounting Policies

The South Carolina State Constitution requires each county to prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. If a county's expenses exceed income in any year, the governing body of the county is required in the following year to levy taxes in an amount which, when added to all other sources of income will be sufficient to pay such deficiency and the estimated expenses for such year.

The Home Rule Act provides that the fiscal year for county governments begins on July 1 of each year and ends on June 30 of the following year. The County Council is required to adopt annually, prior to the beginning of each fiscal year, operating and capital budgets for the operation of county government. The budgets must identify the sources of anticipated revenue, including taxes necessary to meet the financial requirements of the budgets adopted.

On or before March 1 of each year, all agencies of the County submit requests for appropriations to the County Administrator so that a proposed budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year and current year estimates. Before April 1, the proposed budget is presented to County Council for review. The County holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County Administrator; the revenue estimates must be changed by an affirmative vote of a majority of the County Council. Department heads may make budget transfers within their department budgets. Transfers from one department to another require County Council approval. The legal level of budgetary control is the department level.

The County's accounting methods and procedures conform to generally accepted accounting principles applicable to governmental entities. The financial statements include all funds, account groups, agencies, boards, commissions and authorities of the County and its component unit.

Pursuant to Section 6-1-320, Code of Laws of South Carolina, 1976 as amended, the County's annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the County. This limitation may be overridden by a vote of two-thirds of the governing body of the County, but only for the following purposes and only in a year in which such condition exists:

(1) a deficiency of the preceding year;

(2) any catastrophic event outside the control of the County Council such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;

(3) compliance with a court order or decree;

(4) taxpayer closure due to circumstances outside the control of the County Council that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or

(5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

General Fund Budgets for 2009-10 and 2010-11

The following is a summary of the General Fund Budget of the County for the Fiscal Year ended June 30, 2010 as originally adopted on June 9, 2009 and for the Fiscal Year ending June 30, 2011, as originally adopted on June 8, 2010.

General Operating Revenues:	**Fiscal Year 2009-10**	**Fiscal Year 2010-11**
Property Taxes	$11,201,360	$10,564,910
Local Option Sales Tax	341,776	0
Intergovernmental revenue	4,293,282	3,768,743
Licenses and permits	426,600	402,323
Charges for services	6,971,160	6,540,188
Interest income	67,030	30,000
Miscellaneous	510,716	2,547,635
Total Revenues	$23,811,924	$23,853,799
General Operating Expenditures:		
General government	$9,084,966	$9,243,537
Public safety	11,310,573	11,139,985
Public works	2,115,520	2,123,612
Health and welfare	143,262	143,262
Culture and recreation	768,002	762,802
Intergovernmental and Non-profit	389,601	440,601
Total Expenditures	$23,811,924	$23,853,799

County Operating Revenues

The audited financial statements of the County for the fiscal year ended June 30, 2009 indicate that 47% of general fund revenues came from taxpayers of the County; 17.1% came from State shared revenues; 19.2% came from fees, permits and sales charged by the County; 5% came from County fines; 1% came from intergovernmental revenues; and 10.7% came from other sources. The audited financial statements of the County for the fiscal year ended June 30, 2008 indicated that 49.8% of general fund revenues came from taxpayers of the County; 20.2% came from State shared revenues; 20.5% came from fees, permits and sales charged by the County; 4.8% came from County fines; 1.5% came from intergovernmental revenues; and 3.2% came from other sources.

Revenues from Ad Valorem Taxes. The largest source of County operating revenues comes from ad valorem taxes paid by taxpayers within the County. A discussion of general tax information, tax rates and millage levied upon taxpayers of the County for County purposes is presented below. All the revenues from ad valorem taxes and fees in lieu of taxes (see "Payments in Lieu of Taxes" herein) are either general fund revenues and may therefore be used by the County on an unrestricted basis or are collected for the purposes of paying debt service on general obligation bonds of the County, or with respect to fees in lieu of taxes, special source revenue bonds of the County. The County received the following amounts as general fund revenues from ad valorem taxes and fees in lieu of taxes in the years shown:

Fiscal Year June 30	Local Revenues	Fee-in-Lieu of Taxes
2009-10[1]	$12,197,192	$831,404
2008-09	13,031,324	988,066
2007-08	12,121,042	1,067,276
2006-07	11,131,647	846,921
2005-06	8,986,167	1,007,940

(1) Budgeted.

Local Option Sales Tax

A one percent sales tax (the "Local Option Sales Tax") was imposed in the County beginning May 1, 1999. The sales tax is authorized pursuant to State law, Sections 4-10-10 et seq., Code of Laws of South Carolina, 1976, as amended, and a referendum by which the imposition of the tax in the County was approved. The Local Option Sales Tax may be terminated upon approval thereof by referendum; a referendum shall be called upon the filing of a petition signed by at least 15% of the qualified electors of the County.

Revenues collected from the Local Option Sales Tax are by law divided into a "Property Tax Credit Fund" and a "County/Municipal Revenue Fund." Presently, 71% of all collections are allocated to the Property Tax Credit Fund. The Property Tax Credit Fund is distributed to the county government (67%) and all municipalities within the county (33% total). The municipalities' 33% share is allocated based upon the population of each municipality as compared to the total municipal population within the county. All amounts allocated from the Property Tax Credit Fund must be applied to a reduction in ad valorem property tax millage; the reduction applicable to a given parcel or item of taxable property is based upon the assessed value of such property compared to the assessed value of all property within the taxing jurisdiction.

Revenues not distributed to the Property Tax Credit Fund are deposited in the County/Municipal Revenue Fund. Fifty percent of such revenue is distributed based upon the location of the sale, and the remaining fifty percent is distributed based upon population. Property Tax Credit Fund moneys may be deposited to the general fund of a county or municipality, or applied to provide additional millage rollback. As to those counties in which annual Local Option Sales Tax collections exceed five million dollars or more, the State Treasurer is charged with withholding a portion of such collections, not to exceed five percent, for distribution to other counties which have adopted the Local Option Sales Tax but have not collected an amount at least equal to a defined annual minimum amount. The annual minimum amount is equal to two million dollars in the first year of collections within a county, and increases annually based upon a statutory formula.

The following table shows total Local Option Sales Tax Collections allocated to the County for the years shown:

Year	Total Receipts	Applied to Rollback	Deposited to General Fund
2009-10[1]	$2,119,058	$2,489,999	$280,675
2008-09	2,673,871	2,748,861	--
2007-08	2,230,356	2,528,620	717,692
2006-07	3,023,950	2,454,505	--
2005-06	2,445,751	2,325,212	--
2004-05	2,462,735	2,251,512	--

(1) Collections through April, 2010.
Source: County Treasurer.

Permitted Investments

Pursuant to Section 6-5-10 of the Code of Laws of South Carolina, 1976, as amended, the County Treasurer invests money subject to the control and jurisdiction in investments specified under Section 6-5-10 of the Code of Laws of South Carolina, 1976, as amended or the South Carolina Pooled Investment Fund. Section 6-5-10 provides the following investments: (1) obligations of the United States and its agencies; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan associations to the extent that the same are insured by an agency of the federal government; (4) certificates of deposit and repurchase agreements which are collaterally secured by securities of the type described in subsections (1), (2) or (3) of this paragraph; and (5) certain no load open-end or closed-end management type investment companies or trusts which are, in essence, an indirect investment in investments of the kind described in (1) and (2) above or repurchase agreements collateralized by such investments. The South Carolina Pooled Investment Fund is managed by the South Carolina State Treasurer.

Fringe Benefits and Retirement

The County contributes to the South Carolina State Retirement System (SCRS) and the Police Officers Retirement System (PORS), both of which are cost-sharing, multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. During the fiscal years ended June 30, 2009, 2008 and 2007, salaries of $10,892,737, $9,561,534 and $9,020,824 were paid by the County, respectively. Of those amounts, $4,274,128, $3,615,767 and $3,307,610, respectively, were covered under the PORS and $6,618,609, $5,934,315 and $5,713,214, respectively, are covered under the SCRS.

As established by Title 9-1-480 Code of Laws of South Carolina, 1976, as amended, all eligible persons, except those specifically excluded, shall become members of SCRS or PORS, as appropriate, as a condition of their employment. The responsibility of the administration of SCSR and PORS is assigned by law to the State Budget & Control Board. Both the SCRS and PORS offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. SCRS and PORS members are required to contribute 6.50% of their annual covered salaries, and the County is required to contribute at an actuarially determined rate. During fiscal years ended June 30, 2009, 2008, and 2007, the County contributed at actuarially determined rates of 9.24%, 9.06% and 8.05%of annual payroll, respectively. In addition, the County contributes .15% of payroll to provide group life insurance benefits. The County contributes at and actuarially determined rate of 10.65% of annual payroll for PORS plus an additional .2% of payroll to provide group life insurance and accidental death. The County's contribution totals are shown below for the past three fiscal years:

SCRS	June 30, 2009	June 30, 2008	June 30, 2007
Employee Contributions	$422,945	$374,827	$359,584
Employer Contributions	$621,487	$546,550	$468,484
PORS			
Employee Contributions	$277,819	235,025	$214,996
Employer Contributions	$463,743	379,656	$353,914

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit and are not eligible to receive group life insurance benefits or disability retirement benefits.

In addition, the County offers its employees deferred compensation plans created in accordance with IRS Code Sections 457 and 401(k). Both plans are administered by the South Carolina Deferred Compensation Commission. The plans permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation plan is not available to employees until termination, retirement, death or unforeseeable emergency.

Post-Retirement Health Insurance Benefits

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees and their dependents. The coverage is optional and not all retirees participate. For eligible retirees, premiums are paid by the County. Premiums for spouse or family coverage must be paid by the retiree. Upon Medicare eligibility, each retiree must convert to Medicare as their primary coverage, with supplemental coverage paid by the County. Any spouse of a retiree may remain in the County plan until Medicare eligibility, provided all premiums are paid by the retiree. An actuarial study for June 30, 2009 was completed for the County on June 30, 2008 for contributions beginning on July 1, 2009.

Prior to the completion of the actuarial study, the County staff estimated that annual post-employment benefit costs would exceed $1.5 million. The study indicated an annual cost of $807,768. In light of this finding, the County has opted not to make major changes to retiree benefits but, instead, to review these benefits annually to determine whether changes are advisable.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, local governments including the County are liable for damages not to exceed $300,000 per incident/person and $600,000 per occurrence/aggregate. No punitive or exemplary damages are permitted under the Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Budget and Control Board, private carriers, self insurance or pooled self insurance funds. The County currently maintains liability insurance coverage with the South Carolina Counties Property and Liability Trust. In the opinion of the County Administrator, the amount of liability coverage maintained by the County is sufficient to provide protection against any loss arising under the Act.

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CERTAIN FISCAL MATTERS

Property Taxation and Assessment

Article X, Section 1 of the Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property:

(1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value;
(2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
(3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
(4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
(5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
(6) All other real property - 6% of fair market value;
(7) Business inventories - 6% of fair market value (since 1988, business inventories have been exempt from taxation, hence this item is no longer significant. The assessed value of business inventory as of tax year 1987 is taken into account, however, in determining total assessed value for purposes of the bonded debt limit, and the State appropriates to local governments in each year an amount equal to property taxes derived from such property in 1987).
(8) Motor vehicles – 6.0%; and
(9) All other personal property - 10.5% of fair market value.

The South Carolina Department of Revenue ("DOR") has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County. Under law enacted by the South Carolina General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. In addition, in its 1995 session, the South Carolina General Assembly enacted provisions requiring each county to appraise and equalize the properties under its jurisdiction once every fourth year and requiring each county to assess all properties on the newly appraised values every fifth year. Under present law, reassessment within a county may be delayed upon action of the governing body of such county for one year, and may be further delayed by legislative enactment at the state level. The latest reassessment in Laurens County was completed in and implemented in Fiscal Year 2009.

The growth in valuation of real property attributable to reassessment may not exceed 15% for each five year reassessment cycle. Growth in valuation resulting from improvements to real property are exempt from this restriction. Moreover, upon the sale of any parcel of real property or other "assessable transfer of interest," including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value. The foregoing limitation on increases in assessed value may materially effect the growth in the County's assessed value, and, thus, debt limit, over time.

The County Assessor appraises and assesses each year all real property and mobile homes located within such county and certifies the results to the County Auditor (with the exception of Manufacturer's Real Property which is certified by the DOR). The County Auditor appraises and assesses all motor vehicles (except for large trucks, which are appraised and assessed by the DOR), marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment.

In each year, upon completion of its work, the DOR certifies its assessments to the County Auditor. During August and September of each year, the County Auditor prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection of taxes. With the exception of motor vehicles, the South Carolina Tax Control date is December 31st for the ensuing tax year. South Carolina has no statewide property tax.

Homestead Exemption--Property Tax Relief

South Carolina provides, among other exemptions, for homesteads, a general exemption from all ad valorem property taxes and applies to the first $50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind (the "Homestead Exemption"). In the case of the Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by April 15 of each year from the State's general fund. The following table shows amounts received by way of reimbursing appropriations from the State for Homestead Exemption for all purposes by all taxing entities with the County:

Tax Year	Homestead Exemption
2009	$1,487,984
2008	1,411,847
2007	1,258,707
2006	2,464,020
2005	2,302,900

Source: County Treasurer

Payments in Lieu of Taxes

Several of the largest taxpayers in Laurens County pay a "fee-in-lieu" of taxes with respect to new manufacturing projects, and each year new fee-in-lieu arrangements are made with other new manufacturing investments. The State of South Carolina has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of $5 million ($1 million in some counties and for certain "brownfield" sites) or more may be negotiated for payments in lieu of taxes for a period of 20 years based on assessment ratios of as little as 6% and using millage rates that are either fixed for 20 years or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for projects creating at least 200 new jobs and providing new invested capital of not less than $200 million and a total investment of not less than $400 million. For these projects, payments may be negotiated based on assessment ratios of as low as 4% and for a term of 30 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park ("MCIP") are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also divert payments in lieu of taxes derived from an MCIP to its own corporate purposes or those of other taxing entities in that county.

Projects on which payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Financing Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

If a county, municipality or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its general obligation debt limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a debt limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the debt limit of the political subdivision. The County has one special source revenue bond outstanding in the principal amount of $1,248,000.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project to pay certain project costs. If a county, municipality or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the limitations on calculation of its debt limit as described in the preceding paragraph. The County grants such credits for up to ten years in an amount based upon the planned value of investment. For Fiscal Year 2009-10, the County allowed $1,638,665 of such credits.

Other than in Fiscal Year 2006-07, fees in lieu of taxes from MCIPs in the County have been distributed to the taxing jurisdictions in the County in the same proportion as regular property taxes. In Fiscal Year 2006-07, the County retained all fees in lieu of taxes paid by a new industry, Sterilite Corporation, remaining after payment of a special source revenue bond to purchase certain equipment, including patrol cars for the County Sheriff's Department.

Exempt Manufacturing Property

Article X, Section 3 of the Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of $50,000) to existing manufacturing establishments are exempt from ad valorem taxation for five years for county taxes only. No exemption is granted from school or municipal taxes, although municipal governing bodies may grant a similar exemption to manufacturing establishments. The table below shows the level of tax-exempt manufacturing property located within the County for years indicated.

Tax Year	Exempt Assessed Value
2009[(1)]	$3,564,170
2008	3,572,680
2007	2,774,200
2006	3,492,410
2005	3,341,870

[(1)] Projected.
Source: County Auditor.

Millage History

The millage assessed for County operations and debt service in each of the last five fiscal years is set forth in the following table:

Fiscal Year Ended June 30	Ordinary County	Reserve Fund/Deficit[1]	Capital Improvements	County Bonds	Total
2009-10	59.3	6.0	2.0	4.5	71.8
2008-09	57.0	5.9	2.0	6.0	70.9
2007-08	57.7	6.0	2.0	6.5	72.2
2006-07	55.8	6.0	0.0	7.0	68.8
2005-06	48.3	0.0	0.0	8.0	56.3

(1) Originally instituted in Fiscal Year 2006-07 to remedy general fund deficits of prior years. Collections are credited to General Fund, but are reserved by ordinance to offset current deficits and prevent future deficits.
Source: County Auditor.

Assessed Value

Set forth below is the assessed value of taxable real and personal property of the County for the years indicated .

Fiscal Year Ended June 30	Tax Year	Real Property	Personal Property	Total Assessed Value [3]
2010[1]	2009	$104,002,598	$65,115,278	$169,117,876
2009[2]	2008	102,861,818	68,230,858	171,092,676
2008	2007	96,847,531	65,555,278	162,402,809
2007	2006	94,410,609	64,771,717	159,182,326
2006	2005	92,537,970	70,122,544	162,660,514
2005	2004	91,932,720	68,035,968	159,663,406

(1) Preliminary figures as of April 30, 2010.
(2) Reassessment.
(3) Includes Merchants' Inventory in the amount of $1,666,970, the assessed value of motor carrier reimbursements pursuant to §12-37-2810 *et seq*. of the South Carolina Code, reimbursements of manufacturer's depreciation pursuant to §12-37-935(b) of the South Carolina Code, assessment of property subject to negotiated fees in lieu of taxes, and property situated in a multi-county industrial park.
Source: County Auditor.

Preliminary 2009 Market Value/Assessment Summary of the County

Class of Property[1]	Market Value	Assessment Ratio	Assessed Value
1. Real Property and Mobile Homes	$1,338,278,500	4.00%	$53,531,140
(Nonmanufacturing)	711,034,500	6.00%	42,662,070
2. Merchant's Furniture, Fixtures & Equip.	6,334,733	10.50%	665,147
3. Motor Vehicles	318,599,000	6.00%	19,115,940
4. Public Utilities	121,443,238	10.50%	12,751,540
5. Manufacturing Property – (Real & Personal) [2]	73,320,571	10.50%	7,698,660
Manufacturing Property – (Real & Personal)	12,400,000	6.00%	744,000
6. Marine Equipment	12,189,905	10.50%	1,279,940
7. Business Personal Property	47,831,905	10.50%	5,022,350
8. Transportation Cos. for Hire	25,153,579	9.50%	2,389,590
9. Airplanes	775,750	4.00%	31,030
TOTAL	$2,667,361,681		$145,891,407

Preliminary figures as of April 30, 2010.
(1) Excludes Merchants' Inventory in the amount of $1,666,970; the assessed value of motor carrier reimbursements pursuant to §12-37-2810 *et seq*. of the South Carolina Code in the amount of $1,720,480; and reimbursements of manufacturer's depreciation pursuant to §12-37-935(b) of the South Carolina Code in the amount of $3,076,320.
(2) Excludes assessment of property otherwise subject to negotiated fees in lieu of taxes in the amount of $370,819; and property situated in multi-county industrial parks in the amount of $16,391,880 ($3,615,197 = non-negotiated & $12,776,683 = negotiated).
Source: County Auditor.

Tax Collection Procedure

Real and personal taxes in the County are due on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for each such motor vehicle expires. If property taxes, other than taxes on motor vehicles, are not paid before January 16, a penalty of 3% is added; if not paid before February 2, an additional penalty of 7% is added; if not paid before March 17, an additional penalty of 5% is added and taxes go into execution. Taxes on motor vehicles are subject to similar penalties measured from due date thereof. Unpaid taxes, both real and personal, constitute a first lien against the property. The County Treasurer is responsible fore the collection of delinquent taxes and is empowered to seize and sell so much of the defaulting taxpayer's estate - real and personal or both - as may be sufficient to satisfy the taxes. Act 388 allows taxpayers to pay property taxes in periodic installments, with the last installment due as of January 15 of each year.

Tax Collections for the County

The following table shows on a cash basis all taxes (and fees in lieu of taxes) levied (adjusted to include additions, abatements, and nulla bonae) and collected on all taxable property in the County for County purposes for the years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

Fiscal Year	Current Taxes Levied	Current Collections	Current % Collected	Delinquent Collections	Total Collections	Total % Collected
2009-10[1]	$10,728,111	$9,765,822	91.0%	$607,436	$10,373,258	96.6%
2008-09	10,704,497	10,066,459	94.0	704,863	10,771,322	100.6
2007-08	10,347,574	9,755,601	94.3	673,172	10,428,773	100.8
2006-07	9,928,426	9,070,857	91.4	562,464	9,633,321	97.0
2005-06	9,165,957	8,340,136	91.0	831,361	9,171,497	100.1

[1] Unaudited collections through June 30, 2010.
Source: Laurens County Treasurer

Ten Largest Taxpayers

The 10 largest taxpayers in the County, the preliminary 2009 assessed value of the taxable property of each located within the County and the estimated amount of 2009-10 Fiscal Year taxes paid to all taxpaying entities in the County are shown in the following table:

Taxpayer	Assessed Value	Taxes Paid	Fee-in-Lieu Assessed Value	Fee-in-Lieu of Taxes Paid
1. Laurens Electric	$3,930,460	$1,246,618.88	--	--
2. Duke Power	3,327,390	1,009,223.71	--	--
3. Wal-Mart	3,170,110	932,593.55	--	--
4. Michelin/UTI Acquiport	2,500,830	743,420.30	--	--
5. CSX Transportation	1,544,280	501,076.15	--	--
6. Asten Group, Inc.	1,313,947	448,975.69	299,754	102,426.00
7. SAI Automotive BMW/Saturn*	1,470,390	381,951.12	4,986,694	1,295,297.98
8. Teknor Apex	1,332,390	346,154.93	--	--
9. Ceramtec	1,078,800	318,030.24	188,448	55,554.60
10. Milliken/Gilliland	1,013,820	317,522.51	203,480	59,986.00

*Located in multicounty industrial park.
Taxes paid exclude Cities.
Source: Laurens County Auditor.

DEBT STRUCTURE

Legal Debt Limit of the County

The County is authorized by law to incur general obligation indebtedness and may also contract for the acquisition of capital assets through lease-purchase agreements subject to annual appropriation termination clauses. The County has issued general obligation bonded indebtedness as described below, and has entered into several lease purchase agreements for equipment which are subject to annual appropriations. Payment on debt service of the County's obligations is handled by the Laurens County Treasurer.

The County has a limit on the amount of general obligation debt it may incur from and after November 30, 1977, equal to 8% of the assessed valuation of property within its jurisdiction. Indebtedness outstanding on November 30, 1977, any indebtedness approved in a referendum or any refunding of either is excluded from the limit.

The County's debt limitation is computed below:

Preliminary 2009 Assessed Value	$145,891,407
Plus Merchant's Inventory	1,666,970
Net Assessed Value for Computation of Legal debt margin	$147,558,377
	x 8%
Constitutional Debt Limit	$11,804,670
Outstanding Debt Subject to Limit at July 27, 2010	$1,325,413
Legal Debt Available without a Referendum	$10,479,670

The foregoing calculation excludes debt limit capacity derived from property subject to a fee in lieu of taxes. The value of such property for debt limit purposes varies from year to year based upon the payments received by the taxing entity.

The County Council has authorized the issuance of up to $750,000 in general obligation bonds to defray the cost of general governmental infrastructure in connection with the establishment of a new School of Pharmacy at Presbyterian College in the City of Clinton. The County expects that such debt will be issued within twelve months of the date hereof.

General Obligation Bonds of the County

The outstanding general obligation bonded indebtedness of the County includes the issues listed below.

Date of Issue	Final Maturity	Amount Issued	Outstanding as of May 1, 2010
October 1, 1998	3/01/2013	$3,700,000	$1,325,000.00
July 7, 2000[1]	7/07/2010	1,000,000	125,412.83
December 5, 2007 [1]	4/01/2017	117,431	94,975.65
TOTAL			$1,545,388.48

[1] Special tax district bonds – not chargeable against 8% debt limit.

Composite Debt Service of the County

The following table shows the aggregate annual principal and interest requirements on the outstanding general obligation bonds of the County chargeable against the debt limit, and on the Bonds.

Calendar Year	Series 1998 Bonds	Series 2000 Bonds[1]	Series 2010 Bonds
2010	$344,062.50	$132,222.68	
2011	357,343.75	--	
2012	345,156.25	--	
2013	382,031.25	--	
2014	--	--	
2015	--	--	
2016	--	--	
2017	--	--	
2018	--	--	
2019	--	--	
2020	--	--	
2021	--	--	
2022	--	--	
2023	--	--	
2024	-	-	
Total	$1,428,593.75	$132,222.68	

[1] Special tax district bonds; payable from taxes levied in unincorporated areas only.

Capital Leases

Laurens County has entered into lease-purchase financing arrangements which are not included as general obligation debt under the Constitution, and hence, are not subject to the debt limitations of the County. The net present value of the minimum lease payments as of June 30, 2009 was approximately $903,209.

Special Tax Districts

The Constitution and the Home Rule Act empower counties to tax different areas at different rates of taxation related to the nature and level of governmental services provided. Special tax districts may be created for a variety of purposes and by several procedures which require a petition of electors or freeholders (signed by a requisite percentage of the electors or freeholders) in a proposed special tax district. A petition signed by 15% of the electors requires a subsequent election in order to create the special tax district. After one of the above procedures, a special tax district is created by ordinance of the county council. Special tax districts in the entire unincorporated area of a county may be established by ordinance of the county council.

Sections 14 and 12 of Article X of the South Carolina Constitution provide that bonded indebtedness may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of a county, such as a special tax district as described in the preceding paragraph, provided a special assessment, tax, or service charge, in an amount designed to provide debt service on bonded indebtedness incurred for such purposes, shall be imposed upon the area or persons receiving the benefit therefrom; and general obligation debt so incurred shall not be considered in computing the bonded indebtedness of counties under the 8% debt limitation.

The Laurens County Fire District consists of the entire unincorporated area of the County and is a special tax district as described in the two preceding paragraphs. The County has created several other special tax districts to fund paving in several residential developments across the County.

Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts

Under the provisions of Article X, Section 14 of the Constitution, each county, incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding 8% of the assessed value of all taxable property therein.

Legal Debt Limit of School Districts

Article X, Section 15 of the Constitution empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of a school district voting in a referendum will not be considered in the computation of the 8% limitation. A table showing the general obligation debt of the school districts in the County is shown below in "Overlapping Debt."

Overlapping Debt

The following table sets forth the preliminary assessed value for 2009 of all taxable property in each political subdivision having outstanding general obligation debt which overlaps the County, either in whole or in part; the total amount of general obligation indebtedness of each such political subdivision which was outstanding as of July 2, 2010; and the percentage of each political subdivision's assessed value within the County to that political subdivision's total assessed value.

Political Subdivision:	Assessed Value Within the County(1)	General Obligation Indebtedness	% of Assessed Value in County
City of Laurens	$19,925,471	$846,477	100.00%
City of Clinton	11,944,565	303,095	100.00
School Districts			
School District No. 55 of Laurens County	92,556,836	10,765,000	100.00
School District No. 56 of Laurens County	50,229,141	45,525,000	100.00
Special Purpose District:			
Laurens County Water and Sewer Authority	98,720,410	3,500,000	100.00

(1) Preliminary assessments as of April 30, 2010.
Source: County Auditor; Carolinas Municipal Advisory Council.

Miscellaneous Debt Information

The County has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the County within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The County has not used the proceeds of any bonds or other securities (other than tax anticipation notes) for current operating expenses at any time within the last 25 years.

ECONOMIC CHARACTERISTICS

Commerce and Industry

The County benefits from its proximity to many metropolitan areas such as Atlanta, Charleston, Charlotte, Columbia, Greenville and Spartanburg. The County is located in the northwestern section of the State and is bounded by Greenville County to the northwest, Spartanburg and Union Counties to the northeast, Newberry County to the east and Greenwood and Abbeville Counties to the southwest. The County is also bounded by the Saluda and Enoree Rivers. The County covers a 721.68 square mile area and includes the incorporated municipalities of Laurens, Clinton, Gray Court, Cross Hill and Waterloo.

Because of the County's close proximity to Greenville and Spartanburg and the excellent highway system which connects the three cities, the available work force is double the County's population, which was 69,656 in 2000. The County's top industries for employment are plastics (31.7%), metal related (10.5%) and distribution (17.0). Of these companies, almost 30% support the auto industry.

BMW houses its North American assembly plant in the City of Greer, in Spartanburg County, approximately 35 miles from the County. A number of automotive suppliers have constructed facilities in the County. These include Emitec, Inc., Faurecia, Fehrer South Carolina LLC, Fukoku South Carolina, Inc., Kimura Corporation, and Lacks Trim Systems. Also located near to the County is Clemson University's new International Center for Automotive Research (CU-ICAR) which is located in Greenville County, approximately ten miles from the County.

The City of Clinton is one of four sites for the printing of postage stamps in the United States. In an 86,000 square-foot factory, the employees produce more than 11 billion stamps each year. Originally, the factory made labels for cigarettes and soup cans, but began making stamps in 1992. Today, the Clinton plant has expanded to print stamps, battery labels and tags that use radio frequency identification technology.

Economic development for the County is handled by the Laurens County Development Corporation. The corporation is a member of The Upstate Alliance, a ten-county conglomerate focusing on international economic development. The Upstate Alliance makes several trips to Europe and to Asia to recruit manufacturing facilities to the Piedmont area of the state which includes Laurens County. The Development Corporation has been instrumental in establishing new and developed business and industrial sites on land tracts from five to 1000 acres. It maintains an active file on these sites, which is used to help lead interested developers to suitable locations. Recent announcements are as follows:

Fehrer South Carolina, LLC announced in May, 2010 that it will add a shift to their facility in Fountain Inn which will create 26 new jobs. Fehrer is a tier 2 automotive supplier that specializes in the production of seat pads, armrests, consoles and headrests, and has been manufacturing in the County since 1999. The company will partner with the South Carolina One Stop Workforce Centers to assist them with the hiring process.

Construction is underway on a new Tractor Supply Company in the County, which is the largest retail farm and ranch supply store chain in the U.S. The 19,097 square-foot store will include a sales floor and support service space. A fenced exterior space will be built for storage and display of items such as fencing, sprayers and livestock equipment. The company will hire 12 to 17 full- and part time employees.

D&W Fine Pack will locate its new headquarters in the Dispoz-o Products facility in Fountain Inn. The new corporate headquarters will have approximately 15 new positions in sales, marketing, customer service and accounting. 25 new manufacturing jobs will be created and another five senior management team members will relocate to the Fountain Inn area. Due to the recent merger with Dispoz-o Products, Wilkinson Industries and C&M Fine Pack, D&W Fine Pack has become one of the largest packaging firms in the nation; the company will maintain three distinct brands.

Fisher Barton South Carolina, Inc. announced plans to expand its current facility in the Town of Fountain Inn which will create approximately 15 new jobs. The $2 million investment will be the company's second expansion in the County in the past two years. The company specializes in the production of lawnmower blades and a range of precision metal stampings, welded assemblies and heat-treated products, and provides low to high volume metal components for a variety of industries including automotive, industrial, lawn and garden and hand power tools.

Unifor Aluminum Forgings LLC has located a new facility in the Hunter Industrial Park in the County, which resulted in an investment of approximately $4 million and the creation of eight new jobs. The company will provide specialized components to the automotive and recreational vehicle sectors.

Force V Environmental LLC opened a new window and door production facility in the former Timken plant in the County in Spring, 2009. The $2.5 million initial investment created just under 200 jobs. The company will be working with ReadySC to train new employees Force V specializes in state-of-the-art technology in energy efficient window and door manufacturing, and also provides hurricane windows and doors that meet the energy star codes.

ISO Poly Films, Inc. and Sigma Plastics Group have formed a strategic partnership to bring together the companies' strengths in product development, film quality, advanced systems and market presence to grow and offer expanded film and capabilities to their customers. ISO Poly Films which operates a 135,000 square foot facility in the Town of Gray Court, is a custom extruder of high-end multi-layer plastic films for the food, medical and industrial markets. The company celebrated its 10th anniversary in 2008 and has invested more than $35 million in the development and expansion of its facility and manufacturing equipment. The company installed additional capacity in three layer and seven-layer co-extrusion lines in the first and second quarters of 2009.

American Titanium Works LLC, headquartered in Chicago, Illinois ("ATW"), announced in November, 2008 that it will invest approximately $422 million and plans to employ 320 people at a new facility in the County. The facility will house efficient manufacturing processes to include raw material preparation and blending equipment, plasma arc melting and vacuum arc melting furnaces and a rolling mill designed and purpose-built for rolling of alloyed and commercially pure titanium plate. A wide range of titanium conditioning, finishing non-destructive testing and laboratory equipment will also be on site to ensure quality. Specific market drivers for titanium include chemical processing, high performance machinery including racing, aerospace, biomedical, power generation and energy efficiency. Broader range industries include defense, industrial, commercial, consumer and emerging markets.

The ATW project has been delayed owing to financial market disruptions. The County, however, has continued to prepare for the project through the use of a $4 million grant awarded to the County by the South Carolina Department of Commerce; grant funds have been applied to defray the cost of the purchase of the ATW project site and to fund engineering of roads and utilities. The County understands that ATW will commence construction by the end of calendar year 2010.

ATW also plans to establish its application development and engineering technical center in Greenville County at the Clemson University International Center for Automotive Research (CU-ICAR) campus. ATW's Tech Center will create 40 applied engineering jobs that will specialize in prototype development and fabrication techniques for multiple industry sectors.

Koerber LLC recently located its first production outside of Germany by occupying a 50,000 square-foot facility in the Hunter Industrial Park in the County. Koerber will make substantial investments of several million dollars over the next several years into this new plant to establish and grow its position in the market. The company manufactures complex machined aluminum parts for tier 1 automotive supplies, and will focus on the machining of forged, die-casted and extruded components.

Anderson Hardwood Floors recently expanded its Clinton plants and facilities by adding over 100,000 square feet of manufacturing space which created more than 100 new jobs. The Fountain Inn facility serves as a distribution and design center, showroom and sales office, while the Clinton facility houses additional manufacturing capabilities and the new administrative offices. Anderson Hardwood Floors is the second oldest industry operating in the County.

Automotive supplier Faurecia, located in the County's Woodfield Industrial Park, recently expanded its Fountain Inn facility to add a vehicle seating program. The company's investment of $24 million during the next five years will add approximately 50 new jobs. The facility also makes interior products for BMW and Saturn vehicles.

The Board of Trustees of Presbyterian College voted in February, 2008 to start a new school of pharmacy in South Carolina, the only one in the Upstate region. The School of Pharmacy will locate in the City of Clinton at Frampton Hall, formerly a hotel that was later converted into an assisted-living facility. Architectural plans for Frampton Hall call for a 50,000 square foot facility that will include two large auditoriums seating 85-90 students, five classrooms, a simulation area, teaching and research laboratories, faculty and administrative offices and gathering space for students and faculty. The pharmacy school will also house its own clinic in partnership with local health care providers. Renovations are currently underway with a projected Fall 2010 opening date. The School of Pharmacy has hired its administrative staff who, together with new faculty members, will develop the first-year curriculum for the first class of 80 students who will be enrolled for the fall 2010 semester. The School of Pharmacy eventually will employ 32 faculty members and will serve 300 students.

Top Employers in the County

Set forth below are the top ten employers located in the County and their respective types of business. There can be no assurance that any employer listed below will continue to be located in the County. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below:

Industry/Manufacturer	Product	Employees
Wal-Mart Distribution Center	Warehousing and Storage	1,000
Sterilite Corporation	Plastics Products	800
Dispoz-O-Plastics, Inc.	Disposable paper items	670
Faurecia	Interior plastic trim	650
Country Fresh	Food preparation	400
B.F. Shaw, Inc.	Pipe fabrication and bending	362
Anderson Hardwood Floors	Laminated/Parquet/Engineered wood flooring	320
Josten's, Inc.	Graduation gowns & caps; related accessories	300
Caterpillar Manufacturing Logistics	Small and mid-range diesel engines	300
Goglanian Bakeries, Inc.	Flat breads	260

Source: 2010 Laurens County Manufacturing Directory, January, 2010; Laurens County Development Corporation.

Retail Sales

The following table shows the level of gross retail sales for businesses located in the County for the last five calendar years.

Year	Retail Sales
2009	$804,494,717
2008	848,705,800
2007	825,223,156
2006	769,952,206
2005	720,543,363

Source: South Carolina Department of Revenue, Administrative Division.

Per Capita Personal Income

The per capita income in the County, the State, and the United States for each of the last five years for which information is available is shown below.

Year	County	State	United States
2008	n/a	$31,884	$39,751
2007	26,237	31,103	38,615
2006	24,924	30,041	36,794
2005	23,709	28,292	34,690
2004	22,871	27,069	33,157
2003	21,298	25,873	31,530

Source: State Budget and Control Board, Board of Economic Advisors; U.S. Department of Commerce; Bureau of Economic Analysis.

Unemployment

The unemployment rate for the County for May, 2010 was 10.9%. The average unemployment rate in the County, the State and the United States for each of the last five years for which data is available is shown in the following table.

Year	Laurens County	South Carolina	United States
2009	12.0%	12.4%	9.3%
2008	7.4	6.9	5.8
2007	7.1	5.6	4.6
2006	6.8	6.4	4.6
2005	6.7	6.8	5.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Labor Force

The following table shows labor force participation rates of residents of the County (by place of residence) for the last five years for which information is available:

	2009	2008	2007	2006	2005
Civilian Labor Force	32,908	32,901	33,203	33,391	33,101
Employment	28,946	30,454	30,834	31,104	30,871
Unemployment	3,962	2,447	2,369	2,287	2,230
% of Labor Force Unemployed	12.0%	7.4%	7.1%	6.8%	6.7%

Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers.
Source: U.S. Department of Labor; Bureau of Labor Statistics.

Population Figures

The following table shows population information for the County over the last four decades and the most current year available.

Year	County
2008*	69,681
2000	69,567
1990	58,092
1980	52,214
1970	49,713

*July 1, 2008 estimate.
Source: U.S. Census Bureau, Population Division.

Facilities Serving the County

Transportation. Laurens County has two Interstate highway systems and three U.S. Highways, which run through it. I-26 runs east to west from Charleston to Asheville, North Carolina and I-385 runs from the County to Greenville. I-85 is only 30 miles northwest and I-20 is 65 miles southeast of the County. The highest average daily traffic count is 37,600 vehicles per day at the intersection of I-26 and I-385. U.S. Highway 76 runs through both Clinton and Laurens, connecting the County to Newberry County, Greenville County, and Anderson County. U.S. Highway 221 connects the County to Spartanburg and Greenwood Counties via the City of Laurens, while U.S. 25 connects Laurens to Greenwood and Greenville Counties. S.C. Highway 72 runs through the City of Clinton, connecting northern Newberry County to Greenwood County. S.C. Highway 56 runs through Clinton, connecting Spartanburg County to Newberry County.

More than 40 motor freight carriers serve the County. All major market segments on the East Coast and most of the markets east of the Mississippi are within a two day drive of the County.

Rail service to Laurens & Clinton is provided by CSX Transportation with the company's main line passing directly through Clinton. RailAmerica now operates the former Carolina Piedmont division of South Carolina Central Railroad: a 34.4-mile rail system between Laurens and Greenville, running parallel to I-385.

The Port of Charleston, operated by the SC Ports Authority, is 168 miles from the County and easily accessible via I-26. The Port of Charleston is the fifth largest facility of its kind in the United States and is the second-largest container port on the East Coast.

The County owns and operates the Laurens County Airport, which is located midway between the cities of Laurens and Clinton. It has a lighted and paved east-west runway 3,900 feet long and 75 feet wide and is used by both private and corporate aircraft. Services offered by the airport include hangar rental, maintenance and fuel service.

South Carolina's largest airport, Greenville-Spartanburg International Airport ("GSP"), serves more than 1.5 million passengers per year with sixteen airlines offering 77 non-stop daily departures to 19 major cities across the U.S. The GSP terminal building has in excess of 226,000 square feet of space, second level jet bridge boarding and thirteen departure gates. The latest runway extension, completed in June, 1999, extended the runway to 11,001 feet making it possible for GSP to accommodate any aircraft currently in operation today. Five new rental car service facilities were constructed in 2003; in 2004, the security fencing and access control equipment was expanded and upgraded to improve access control to the airfield and passenger loading areas. In addition, in 2005, the airport entrance road was widened to accommodate additional vehicle traffic. The north end of the airport is home to a 120,000 square-foot FedEx facility. This facility, completed in the summer of 2001, provides FedEx with the capability to sort up to 3,000 packages per hour. Two Federal Inspection Stations ("FIS") consisting of Customs, Immigrations and Agriculture are located at GSP. The first FIS facility located under the south concourse is designed to handle 250 international passengers per hour. The second FIS location on the north cargo ramp is designed to handle cargo and corporate aircraft that require international clearance. Other carriers that offer cargo services at GSP are DHL, UPS and the US Postal Service. Charlotte Douglas is an hour and a half drive and Columbia Metropolitan Airport is less than an hour's drive from the County.

Recreation. The County has numerous recreational venues including a combination of baseball/softball fields, basketball courts, tennis courts, fishing, picnic areas and twelve parks. Three YMCA's are accessible and coordinate adult and youth recreational leagues. The County has two private 18-hole golf courses: Lakeside Country Club, which also has swimming and tennis, and Musgrove Mill, an Arnold Palmer World Class Championship Course which was chosen as one of the top modern courses in the U.S. by Golf Week Magazine. Private and public lakes are numerous including Lake Greenwood with 200 miles of shoreline and Lake Rabon. The Enoree and Saluda rivers provide excellent fishing and boating. The County is just a short drive away from the Great Smokey Mountain National Park and the Blue Ridge Mountains. Atlantic and Southeastern Conference sports are within a one-hour drive at Clemson University and the University of South Carolina. Greenville, less than an hour's drive, offers minor league baseball and hockey. Charlotte, North Carolina and Atlanta, Georgia offer professional baseball and football teams.

Library. The Laurens County Library system provides service to the County through two libraries, a bookmobile and book deposits for senior citizens. The 23,000-square-foot headquarters library in Laurens has a large meeting and conference room which can be reserved by community groups, and has several private study rooms. The South Carolina Room, an extensive local history and genealogy collection, is located at the Laurens Library. The Clinton Public Library in Clinton is approximately 8,200 square-feet. In addition to over 110,000 books, the library's collection contains books on tape, magazines, videocassettes, and newspapers. Both libraries have computers connected to the Internet available for public use. Materials can be obtained from other libraries in the U.S. through interlibrary loans.

Public Schools – There are 17 fully-accredited schools located in the County's two school districts - 9 elementary, 5 middle, 2 high schools, and one early childhood center. Approximately 8,644 pupils were enrolled in the public school system in the County for the 2009-10 school year based on a 45-day average daily membership. All public schools are fully accredited by the South Carolina Department of Education and Southern Association of Colleges and Schools. Full accreditation assures that the district has met the minimum standards for class size, qualifications of teachers, school facilities, instructional materials and curriculum.

Higher Education. Presbyterian College (PC) is a top-ranked Carnegie One liberal arts college affiliated with Presbyterian Church (USA). PC, located in Clinton, 21 miles from Newberry, is a co-educational, private, liberal arts college offering Bachelor of Arts and Bachelor of Science degrees in 34 majors, 47 minors and 16 pre-professional and dual-degree programs. The *Washington Monthly* recently ranked PC #26 among all colleges and universities in the U.S. Presbyterian College had a Fall 2009 enrollment of 1,221 students.

Piedmont Technical College (PTC) is a public two-year technical college headquartered in the City of Greenwood. Founded in 1966, PTC has locations in each of the seven counties they serve – Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry and Saluda. PTC provides educational opportunities for students to acquire the knowledge and skills for employment in engineering technology, industrial technology, agriculture, business, health and public service. PTC offers university transfer; associate degrees, diplomas and certificates in technical and occupational areas; developmental education programs; student development programs providing academic, career and individual support; and custom-designed Continuing Education programs which provide training for business and industry. PTC had a Fall 2009 enrollment of 5,566 students.

The 39,000 square-foot facility of Laurens County Higher Education Center serves Piedmont Technical College students residing in the County and provides a home to two other local educational institutions - USC-Union and the Laurens County Adult Education organization. Students have the opportunity to earn high school, associate and bachelor degree credit in traditional classroom settings and via satellite or two-way video. Collegiate and public school officials have established relationships with corporate leaders, resulting in the creation of curricula relevant to the needs of the business community.

Health Care. Health care is provided to the citizens of Laurens County at the Laurens County Health Care System (the "System"). The System operates a 90-bed acute care hospital known as Laurens County Hospital (the "Hospital"). Construction of the Hospital, which is located midway between the cities of Laurens and Clinton, was completed in November, 1989, and consists of approximately 152,000 square feet. The Hospital is the general community health care facility of Laurens County and represents the initial entry point for area residents to various levels of healthcare. Of its 90 beds, 76 are acute and 14 are skilled. There are four labor, delivery and recovery rooms, a Caesarean delivery suite and a 12-bassinet nursery. The medical team serving the hospital includes physicians representing specialties of anesthesiology, breast care center, cardiopulmonary services, critical care, diabetes, emergency medicine, rehabilitation services, hospice, surgical services, internal medicine, oncology, obstetrics-gynecology, ophthalmology, orthopedic surgery, pediatrics, radiology and urology, to name a few. In addition to caring for patients, the hospital is a state leader in providing innovative and informative educational programs in an effort to teach wellness to the community.

Construction. The following table shows the approximate number of building permits (including permits issued for alterations) issued by the County and the approximate cost of construction represented by those permits in each of the years shown:

Year	Residential Permits	Costs	Commercial Permits	Costs	Total Costs
2009	174	$13,044,834	34	$1,275,417	$14,320,251
2008	218	17,910,240	46	9,684,531	27,594,771
2007	302	25,401,197	59	8,563,371	33,964,568
2006	245	20,146,333	69	1,140,053	31,286,386
2005	260	21,613,979	58	17,513,626	39,127,605
2004	274	21,428,227	84	6,341,990	27,770,217

Source: Laurens County Development Corporation and Laurens County.

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LEGAL MATTERS

Litigation

There is no litigation presently pending or, to the knowledge of the County, threatened challenging the validity of any general obligation indebtedness, including the Bonds, issued or proposed to be issued by the County.

Legal Opinion

The County will furnish, without cost to the successful bidder, the opinion of Bond Counsel, Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, the form of which is attached hereto as Appendix B. A certificate to the effect that there is no litigation threatened or pending to restrain the issuance and sale of the Bonds will be delivered at closing.

Haynsworth Sinkler Boyd, P.A. has assisted the County by compiling certain information supplied by the County and others and included in this Official Statement, but has not undertaken to verify the accuracy of such information. The opinion of Haynsworth Sinkler Boyd, P.A. will be limited solely to the legality and enforceability of the Bonds, and no opinion will be given with respect to this Official Statement.

The legal opinion to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

United States Bankruptcy Code

The undertakings of the County should be considered with reference to Chapter 9 of the United States Bankruptcy Code, 11 U.S.C. Section 901, et. seq., as amended (the “Bankruptcy Code”), and other laws affecting creditors' rights and public instrumentalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner but does not limit or impair the power of a state to control a municipality by legislation; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate or otherwise modify indebtedness under its plan varying from the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Federal Income Tax Generally

On the date of issuance of the Bonds, Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina (“Bond Counsel”), will render an opinion that, assuming continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder (the “Regulations”) and further subject to certain considerations described in “Collateral Federal Tax Considerations” below, under existing statutes, regulations and judicial decisions, interest on the Bonds is excludable from the gross income of the registered owners thereof for federal income tax purposes. Interest on the Bonds will not be treated as an item of tax preference in calculating the alternative minimum taxable income of individuals or corporations nor will interest on the Bonds be included in the calculation of adjusted current earnings in determining the alternative minimum tax liability of corporations. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Bond Counsel, as a result of (i) ownership of the Bonds or (ii) the inclusion in certain computations of interest that is excluded from gross income.

The County has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institution’s interest expense allocable to interest on the Bonds.

Interest on the Bonds is eligible for the exception added to Section 265(b)(7) of the Code added by the American Recovery and Reinvestment Act of 2009, which reduces the disallowance of interest deductions on indebtedness of financial institutions to the extent tax-exempt obligations owned by such financial institutions issued in 2009 or 2010 do not exceed 2% of the average adjusted bases of all assets of such financial institution. If tax exempt obligations (including the Bonds) do not exceed such 2% limit, the acquiring financial institution’s interest disallowance resulting from such investment is reduced from 100% to 20%.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Bonds and the tax-exempt status of interest on the Bonds as described herein. Bond Counsel makes no statement regarding the accuracy and completeness of this Official Statement.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. Bond Counsel’s opinions are based upon existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts of circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service (the “IRS”) or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The opinion of Bond Counsel described above is subject to the condition that the Issuer comply with all requirements of the Code and the Regulations, including, without limitation, certain restrictions on the use, expenditure and investment of the gross proceeds of the Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned on compliance by the Issuer with such requirements and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Bonds.

State Tax Exemption

Bond Counsel is of the further opinion that the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax. The opinion of Bond Counsel is limited to the laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Bonds or the interest thereon under the laws of any other jurisdiction.

Collateral Federal Tax Considerations

Prospective purchasers of the Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion concerning such collateral income tax consequences and prospective purchasers of the Bonds should consult their tax advisors as to the applicability thereof.

Future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. The IRS has taken the position that, under the standards of practice before the IRS, Bond Counsel must obtain a waiver of a conflict of interest to represent an issuer in an examination of tax-exempt bonds for which Bond Counsel had issued an approving opinion. Under current procedures, parties other than the Issuer and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Issuer or the Owners to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the Issuer may be obligated to disclose the commencement of an audit under the Continuing Disclosure Agreement. See "Continuing Disclosure", herein.

Continuing Disclosure

In accordance with Act No. 442 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1994, the County has covenanted in the Bond Ordinance to file with a central repository for availability in the secondary bond market when requested (1) an annual independent audit, within thirty days of the County's receipt of the audit; and (2) event specific information, within thirty days of an event adversely affecting more than five percent of the County's revenue or tax base. The only remedy for failure by the County to comply with this covenant shall be an action for specific performance. Moreover, the County has specifically reserved the right to amend the covenant to reflect any change in Act No. 442 without the consent of any bondholder.

The County has covenanted for the benefits of the holders and beneficial owners of the Bonds to provide notices of the occurrence of certain enumerated events, if material, and, in addition, to make available upon request certain financial information and operating data. The notices of material events will be filed by the Issuer with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system. The form of the Continuing Disclosure Certificate to be executed by the County is attached to this Official Statement as Appendix C. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12 (the Rule). The County has not failed to make any required filing within the past five years.

Closing Certification

The County will furnish, without cost to the successful bidder, certifications by appropriate officials that the Official Statement relating to the Bonds as of its date and as of the date of delivery of the Bonds, does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

Appropriate certification will be given by County officials to establish that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Bonds.

Conclusion

Further inquiries should be addressed to Mr. Ernest Segars, County Administrator, Laurens County, 3 Catherine Street, Laurens, South Carolina 29360, telephone (864) 984-5484. Requests for additional copies of this Official Statement may be addressed to Theodore B. DuBose, Bond Counsel, Haynsworth Sinkler Boyd, P.A., Post Office Box 11889, Columbia, South Carolina 29211, telephone (803) 540-7830.

RATINGS

Applications have been made to Moody's Investors Service, Inc. ("Moody's") and to Standard & Poor's ("S&P"), (collectively, the "Rating Agencies") for rating of the Bonds. The Bonds received ratings of "______" by Moody's and "_______" by S&P. Such ratings reflect only the views of the Rating Agencies and an explanation of the significance of such ratings may be obtained from the Rating Agencies.

An explanation of the significance of such ratings may be obtained from the Rating Agencies. The County has furnished to the Rating Agencies certain information and materials respecting the County and the Bonds. Generally, the Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such ratings will remain unchanged for any period of time or that they may not be lowered or withdrawn entirely by the Rating Agencies, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds have been purchased at a competitive sale from the County for resale by _____________________, (the "Purchaser"). The Purchaser has agreed, subject to certain conditions, to purchase the Bonds at _______% of par. The initial public offering prices of the Bonds are as shown on the front page of this Official Statement and may be changed from time to time by the Purchaser. The Purchaser may also allow a concession from the public offering prices to certain dealers. The initial public offering prices average approximately $________ per $1,000 face amount of the Bonds in excess of the purchase price paid to the County by the Purchaser. The Purchaser has not received a fee from the County for underwriting the Bonds.

CERTIFICATION

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds and the determinations of the County relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the authorizing resolution and to such determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in this Official Statement and in the appendices hereto has been obtained from sources other than the County that are believed to be reliable but is not guaranteed as to accuracy or completeness by the County. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the affairs of the County.

This Official Statement has been duly executed and delivered by the County as of the date shown on the cover page.

s/____
County Administrator,
Laurens County, South Carolina

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APPENDIX A

AUDITED FINANCIAL INFORMATION

FOR FISCAL YEAR ENDED JUNE 30, 2009

LAURENS COUNTY,
SOUTH CAROLINA

REPORT ON FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

elliott davis

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Laurens County Council
Laurens County
Laurens, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Laurens County, South Carolina as of and for the year ended June 30, 2009 which collectively comprise the County's basis financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the County's legally separate discretely presented component units. Accounting principles generally accepted in the United States of America require the financial data for these discretely presented component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units would have been presented as $134,510,666, $100,575,510, $33,935,156, $87,111,403, and $89,923,439, respectively.

In our opinion, because of the omission of the discretely presented component units as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the discretely presented component units of Laurens County, South Carolina as of June 30, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Laurens County, South Carolina as of June 30, 2009, and the respective changes in financial position, where applicable, thereof for the year 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 February 9, 2010 on our consideration of Laurens County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Information, as listed in the Table of Contents, is not a required part 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 the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements of Laurens County, South Carolina. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of Laurens County, South Carolina. The combining and individual non-major fund financial statement and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina
February 9, 2010

Elliott Davis LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Laurens County annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2009. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2009 by $84.6 million (net assets). Of this amount $6.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County repaid $1.7 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was increased by $1.1 million.
- The general fund actual revenues were $1.9 million greater than budgeted and general fund expenditures were $398 thousand more than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
- The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of County of Laurens's Government-wide and Fund Financial Statements

		Fund Statements	
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds)	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Instances in which the County is the agent for someone else's resources
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net assets* and how they have changed. Net assets - the difference between the County's assets and liabilities - is one way to measure the County's financial health, or *position.*

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds - not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has two kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's combined net assets increased $141 thousand or 0.2% between fiscal years 2008 and 2009. (See Table A-1.)

Table A-1
County of Laurens's Net Assets
(in thousands of dollars)

	Governmental Activities 2008	Governmental Activities 2009	Total Percentage Change
Current and other assets	$ 40,337	$ 47,886	18.7%
Capital assets	80,574	78,866	-2.1%
Total assets	120,911	126,752	4.8%
Long-term debt outstanding	6,066	4,819	-20.6%
Other liabilities	30,384	37,331	22.9%
Total liabilities	36,450	42,150	15.6%
Net assets			
Invested in capital assets, net of related debt	74,966	74,601	-0.5%
Restricted	1,518	3,213	111.7%
Unrestricted	7,977	6,788	-14.9%
Total net assets	**$ 84,461**	**$ 84,602**	**0.2%**

Net unrestricted assets of our governmental activities decreased by $1.2 million. Capital assets of $3.1 million were acquired while depreciation expense on new and existing capital assets totaled $4.7 million.

Changes in net assets. The County's total revenues increased by 10.6 percent to $38.0 million. (See Table A-2) Approximately 45 percent of the County's total revenue comes from property taxes, 19 percent comes from fees charged for services, fines and fees and 35 percent is from state and federal aid.

The total cost of all programs and services increased approximately $5.5 million or 16.9 percent. The County's expenses cover a range of services, with about 35 percent related to public safety.

Table A-2 and the narrative that follows consider the operations of governmental activities.

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities increased 10.6 percent, while total expenses increased 16.9 percent.

Table A-2
Changes in County of Laurens's Net Assets
(in thousands of dollars)

	Governmental Activities		Total Percentage Change
	2008	2009	
Revenues			
Program Revenues			
Charges for services	$ 7,470	$ 7,250	-2.9%
Operating grants and contributions	919	1,488	61.9%
Capital grants and contributions	2,267	4,234	86.8%
General Revenues			
Property taxes	19,294	17,096	-11.4%
Other taxes	73	73	0.0%
Intergovernmental	4,009	7,591	89.3%
Other	296	229	-22.6%
Total revenues	34,328	37,961	10.6%
Expenses			
General government	11,142	12,832	15.2%
Public safety	11,794	13,299	12.8%
Public works	7,024	6,558	-6.6%
Health and welfare	271	383	41.3%
Culture and recreation	748	823	10.0%
Intergovernmental and private nonprofit	361	426	18.0%
Economic development	252	3,266	1196.0%
Miscellaneous	515	-	-100.0%
Interest and fiscal charges	259	233	-10.0%
Total expenses	32,366	37,820	16.9%
Increase in net assets	$ 1,962	$ 141	-92.8%

Total revenues were $3.6 million greater than the prior year. Property taxes collected were $2.2 million less than the prior year. Charges for services and fines and fees were $220 thousand less than the prior year, and intergovernmental revenues including grants were $6.1 million greater than the prior year. In addition, expenses were $5.5 million greater than the prior year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of $10.4 million which is comparable to the prior year.

General Fund Budgetary Highlights

Actual general fund expenditures were $398 thousand more than budget amounts, primarily resulting from relatively small negative variances in capital expenditures, non-departmental fringe benefits and public safety.

The resources available for appropriation were $1.9 million greater than the budgeted amount. This is primarily related to the increase of property tax revenues due to the increase in assessed values in the County.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the County had invested $78.9 million in a broad range of capital assets. (See Table A-3.) This amount represents a net increase before depreciation (including additions and deductions) of $3.1 million. However, after depreciation capital assets decreased $1.7 million or 2.1 percent, over last year.

Table A-3

County of Laurens's Capital Assets

(net of depreciation, in thousands of dollars)

	Governmental Activities		Total Percentage
	2008	**2009**	**Change**
Land	$ 832	$ 832	0.0%
Construction in progress	903	3,044	237.1%
Buildings and improvements	18,680	18,680	0.0%
Furniture, fixtures and equipment	10,542	11,085	5.2%
Infrastructure	107,222	107,319	0.1%
Accumulated depreciation	(57,606)	(62,094)	7.8%
Total net assets	**$ 80,573**	**$ 78,866**	**-2.1%**

This year's major capital asset additions included:

- $2.1 million in construction in progress for Old Laurens Road project and building renovations.
- $543 thousand in equipment additions.

More detailed information about the County's capital assets is presented in Notes 1 and 5 to the financial statements.

Long-term Debt

At year-end the County had $4.3 million in bonds and capital lease obligations outstanding, a decrease of 23.9 percent over last year as shown in Table A-4. More detailed information about the County's long-term debt is presented in Note 10 to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8 percent of the assessed value of all taxable property within the County's legal limits.

Table A-4
County of Laurens's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Total Percentage
	2008	2009	Change
General obligation bonds	$ 2,562	$ 1,664	-35.1%
Revenue bonds	370	190	-48.6%
Special source bonds	1,774	1,508	-15.0%
Capital lease obligations	902	903	0.1%
Total	**$ 5,608**	**$ 4,265**	**-23.9%**

This year's major outstanding debt changes included:

- $350 thousand in new capital lease agreements.
- $1.7 million in bond, note and lease repayments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 12.4 percent versus 9.3 percent a year ago. This compares unfavorably with both the state's rate of 12.1 and the national rate of 9.5 percent.

These indicators were taken into account when adopting the general fund budget for 2010. The general "operating" fund budget for 2010 is $23,811,924.

Capital expenditures approved in the fiscal year 2010 capital budget were $553,796. The County has added no major new programs or initiatives to the 2010 budget.

With the approval of the 2010 budget the County should continue to move in a positive direction. The 2010 budget was prepared with the continuation of the initiative to adequately fund departments. County Council recommended the County establish a goal of preparing a budget that will support the County's goal of establishing reserves to build a solid financial structure for future growth of County Services provided to its citizens.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ernest Segars, Laurens County Administrator, Post Office Box 445, Laurens, SC 29360 or visit the County website at www.co.laurens.sc.us.

Exhibit 1

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

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 42,347,077
Investments	381,273
Receivables:	
Taxes - Net	1,014,675
Other	1,693,237
Due from other governments	2,449,749
Capital assets:	
Land	832,504
Construction in progress	3,043,918
Buildings and improvements	18,680,506
Vehicles and equipment	11,085,166
Infrastructure assets	107,318,573
Less accumulated depreciation	(62,094,640)
Total capital assets, net of depreciation	78,866,027
Total assets	126,752,038
LIABILITIES	
Accounts payable	1,323,604
Due to other governmental units	34,424,390
Accrued wages and benefits	815,241
Accrued interest payable	90,664
Net other post employment benefit obligation	677,272
Long-term liabilities:	
Due within one year	1,619,125
Due in more than one year	3,199,442
Total liabilities	42,149,738
NET ASSETS	
Invested in capital assets net of related debt	74,600,559
Restricted for:	
Debt service	528,590
Capital outlay	745,434
Contingency	1,939,786
Unrestricted	6,787,931
Total net assets	$ **84,602,300**

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

Exhibit 2

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets — Primary Government
	Expenses	Charges for services, fines and fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT					
Governmental activities					
General government	$ 12,831,668	$ 915,407	$ 33,556	$ -	$ (11,882,705)
Public safety	13,298,821	3,535,611	-	-	(9,763,210)
Public works	6,558,101	2,799,078	1,454,211	1,525,882	(778,930)
Health and welfare	383,433	-	-	-	(383,433)
Culture and recreation	823,132	-	-	-	(823,132)
Intergovernmental and private nonprofit	426,275	-	-	-	(426,275)
Economic development	3,265,675	-	-	2,708,375	(557,300)
Interest and fiscal charges	232,967	-	-	-	(232,967)
Total governmental activities	37,820,072	7,250,096	1,487,767	4,234,257	(24,847,952)
GENERAL REVENUES					
Property taxes levied for:					
General purposes					13,121,171
Special purpose					2,663,259
Debt service					1,311,590
Accommodations tax					73,536
Intergovernmental					7,590,971
Interest and investment income					59,211
Miscellaneous					169,146
Total general revenues					24,988,884
Change in net assets					140,932
Net assets beginning of year					84,461,368
Net assets end of year					$ 84,602,300

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

Exhibit 3

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

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 41,557,170	$ -	$ 789,907	$ 42,347,077
Investments	381,273	-	-	381,273
Property taxes receivable - Net	721,997	173,301	119,377	1,014,675
Accounts receivable	1,693,237	-	-	1,693,237
Due from other governments	2,449,749	-	-	2,449,749
Due from other funds	-	365,795	1,392,163	1,757,958
Total assets	$ 46,803,426	$ 539,096	$ 2,301,447	$ 49,643,969
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,303,484	$ 17,854	$ 2,266	$ 1,323,604
Deferred revenue	642,292	155,025	108,334	905,651
Accrued wages and benefits	815,241	-	-	815,241
Due to other funds	1,757,958	-	-	1,757,958
Due to other local governments	34,424,390	-	-	34,424,390
Total liabilities	38,943,365	172,879	110,600	39,226,844
FUND BALANCES				
Reserved for:				
Debt service	-	-	528,590	528,590
Capital outlay	745,434	-	-	745,434
Contingency	1,939,786	-	-	1,939,786
Unreserved:				
Designated	560,257	-	19,880	580,137
Undesignated reported in:				
General fund	4,614,584	-	-	4,614,584
Special revenue fund	-	366,217	1,642,377	2,008,594
Total fund balances	7,860,061	366,217	2,190,847	10,417,125
Total liabilities and fund balances	$ 46,803,426	$ 539,096	$ 2,301,447	$ 49,643,969

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

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

Total fund balances - Governmental funds	$ 10,417,125
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	832,504
Construction in progress	3,043,918
Buildings and improvements	18,680,506
Vehicles and equipment	11,085,166
Infrastructure	107,318,573
Accumulated depreciation	(62,094,640)
Total capital assets	78,866,027
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Property taxes	905,651
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
General obligation debt	(1,664,357)
Special source revenue bond	(1,508,000)
Revenue notes payable	(190,082)
Capital leases payable	(903,029)
Compensated absences	(553,099)
Other post employment benefits	(677,272)
Accrued interest payable	(90,664)
Total long-term liabilities	(5,586,503)
Net assets of governmental activities	**$ 84,602,300**

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

Exhibit 5

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2009

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 13,207,860	$ 2,178,760	$ 1,796,089	$ 17,182,709
Licenses and permits	472,243	-	-	472,243
Intergovernmental revenue	13,260,031	-	126,500	13,386,531
Charges for services	6,777,853	-	-	6,777,853
Interest and investment income	49,634	-	9,577	59,211
Miscellaneous revenue	73,189	-	152,050	225,239
Total revenues	33,840,810	2,178,760	2,084,216	38,103,786
EXPENDITURES				
General government	12,046,073	-	-	12,046,073
Public safety	11,435,745	1,133,498	930,088	13,499,331
Public works	5,051,697	-	-	5,051,697
Health and welfare	241,004	-	-	241,004
Culture and recreation	775,656	-	-	775,656
Intergovenmental	426,275	-	-	426,275
Economic development	3,139,175	-	126,500	3,265,675
Debt service:				
Principal retirement	-	205,951	1,343,528	1,549,479
Interest and fiscal charges	-	34,739	211,162	245,901
Total expenditures	33,115,625	1,374,188	2,611,278	37,101,091
Excess of revenues over (under) expenditures	725,185	804,572	(527,062)	1,002,695
Other financing sources (uses):				
Issuance of capital lease	350,063	-	-	350,063
Transfers in	-	-	591,776	591,776
Transfers out	-	(591,776)	-	(591,776)
Total other financing sources (uses)	350,063	(591,776)	591,776	350,063
Net change in fund balances	1,075,248	212,796	64,714	1,352,758
Fund balances, beginning of year	6,784,813	153,421	2,126,133	9,064,367
Fund balances, end of year	$ 7,860,061	$ 366,217	$ 2,190,847	$ 10,417,125

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

Exhibit 6

LAURENS COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2009

Net change in fund balances - Total government funds	$	1,352,758
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay		3,095,990
Depreciation expense		(4,747,634)
Excess of depreciation expense over capital outlay		(1,651,644)
Loss on disposal of capital assets is not recognized in governmental funds.		(56,092)
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues decreased by this amount this year.		(86,689)
Capital lease agreeements and bonds payable proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, other financiing sources consisted of:		
Capital lease agreements		(350,063)
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:		
Bond principal retirement		897,697
Special source principal retirement		266,000
Revenue notes payable		179,831
Capital lease payments		349,133
Total long-term debt repayment		1,692,661
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Other post employment benefits		(677,272)
Compensated absences		(95,660)
		(772,932)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		12,933
Change in net assets of government activities	$	**140,932**

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

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

ASSETS		
Due from other funds	$	34,424,390
Property taxes receivable		2,417,298
Total assets	**$**	**36,841,688**
LIABILITIES		
Accounts payable		-
Due to other taxing districts and agencies		36,841,688
Total liabilities	**$**	**36,841,688**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Laurens County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to the primary government. However, the component units have not been presented in accordance with generally accepted accounting principles required for the reporting entity. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

Laurens County, South Carolina - the primary government - is a political subdivision of the State of South Carolina. A seven-member council elected from single-member districts governs it. These financial statements present all the fund types of the County. Component units are legally separate entities that meet any one of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County, or (3) the financial statements would be misleading if data from the entity were not included. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The County has no blended component units. The County does not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government.

Complete financial statements for each of the individual component units may be obtained from their respective administrative offices.

Laurens Public Library
1017 West Main Street
Laurens, South Carolina 29360

Laurens School District #56
600 East Florida Street
Clinton, South Carolina 29325

Laurens School District #55
1029 West Main Street
Laurens, South Carolina 29360

A board of directors governs Laurens Public Library. Members are from Laurens County and are appointed by the Laurens County Council. Laurens County Council approves the amount of local support for the Library's budget and set the tax rates. The Library is a component unit of Laurens County because the majority of the Library's budget is funded from Laurens County making the Library fiscally dependent upon the County.

Separately elected boards from their respective districts govern Laurens County School Districts 55 and 56. They are fiscally dependent upon the County because County Council approves its budget and sets its property tax levy. The District's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

BASIS OF PRESENTATION

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements.

The statement of net assets presents the financial condition of the governmental activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Measurement focus, basis of accounting, and financial statement presentation

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

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

(Continued)

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

The government reports the following major governmental funds:

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

The *Rural Fire Fund* accounts for intergovernmental funds received from the state that are restricted to fire safety operations.

Additionally, the government reports the following fund types:

Special revenue funds
The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service fund
Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Agency funds
Agency funds are used to account for assets held by the County in a trustee capacity or as an agent for school districts, special districts and other agencies that use the County as a depository.

MEASUREMENT FOCUS

Government-wide financial statements

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

Fund financial statements

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

Fiduciary funds are reported using the economic resources measurement focus.

(Continued)

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Budgets and budgetary accounting

Budgets are not adopted on a basis consistent with accounting principles generally accepted in the United States of America because of the County's method of accounting for encumbrances for budgetary purposes. Annual appropriated budgets are adopted for the general and debt service funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

Cash and investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in:

(1) Obligations of the United States and agencies thereof;

(2) General obligations of the State of South Carolina or any of its political units;

(3) Financial institutions to the extent that the same are insured by an agency of the federal government;

(4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(5) Repurchase agreements when collateralized by securities as set forth in this section;

(6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Investments are stated at fair value; except that repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

The County Treasurer co-mingles cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average fund balances for the fiscal year. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds. This practice does not apply to certain funds earmarked for specific purposes, such as the special revenue fund and the nonexpendable trust fund.

(Continued)

Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Capital assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	15 years
Buildings	30 years
Building improvements	15 years
Vehicles	5 years
Furniture and equipment	3 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	30 years

Compensated absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

Compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for them.

(Continued)

Employees earn annual leave time based upon length of full-time employment with the County as follows:

Years of service	Annual leave accrual
0-1	.5 day per month (5 days)
2-8	1 day per month (10 days)
9 or more	1.5 days per month (15 days)

Employees are required to take the equivalent of at least one work week of annual leave per year. Accumulated annual leave time may be carried over from one calendar year to the next subject to a maximum of ten days for employees. Upon leaving the County's employ, the maximum payout of accrued annual leave shall not exceed ten days.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Revenues - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

Interfund transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed.

All other interfund transfers are reported as transfers.

Use of estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from these estimates.

NOTE 2 - BUDGETARY ACCOUNTING AND REPORTING

Budgetary policies

On or before March 1 of each year, all agencies of the County submit requests for appropriation to the County manager so that a budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year and current year estimates.

Before April 1, the proposed budget is presented to the County Council for review. The County Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County Administrator the revenue estimates must be changed by an affirmative vote of a majority of the County Council. Department heads may make budget transfers within their department budgets. Transfers from one department to another require County Council approval. The legal level of budgetary control is the department level.

NOTE 3 - DEPOSITS AND INVESTMENTS

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash on hand includes a checking account which has an overnight investment sweep agreement with the financial institution.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk.

At June 30, 2009, the carrying amount of the County deposits was $9,160,527 and the bank balance was $9,334,645. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Cash on hand at June 30, 2009 was $274,922.

Investments

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

		Investment maturities (in years)					
Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	16 +	No maturity
U S Government Agency Obligations	$ 133,818	$ -	$ -	$ -	$ 99,016	$ 34,802	$ -
Investment in mutual fund	247,455	-	-	-	-	-	247,455
Total investments	381,273	-	-	-	99,016	34,802	247,455
South Carolina local government investment pool	32,911,628	-	-	-	-	-	32,911,628
	$ 33,292,901	$ -	$ -	$ -	$ 99,016	$ 34,802	$ 33,159,083

Interest rate risk

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

Credit risk

The County's investment policy parallels state law and has no restrictions that would further limit its investment choices other than state law. As of June 30, 2009, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned.

These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

The County's investments in U.S. Government Agency Obligations consist of Federal Home Loan Mortgage Corporation obligations which were all rated AAA by Moody's Investors Services and AAA by Standard & Poor's.

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

A reconciliation of cash and cash equivalents and investments is as follows:

Reported value of deposits	$ 9,160,527
Fair value of investments	33,292,901
Cash on hand	274,922
	$ 42,728,350
Cash and cash equivalents – Exhibit 3	$ 42,347,077
Investments – Exhibit 3	381,273
	$ 42,728,350

NOTE 4 - PROPERTY TAXES

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31, of the calendar year preceding the fiscal year. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due, without penalty, for real and personal property, excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax

Property tax revenues are recognized when due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period.

The County bills and collects its own property taxes, and also taxes for the School Districts. Districts tax collections are accounted for in the agency funds.

Also, the County collects taxes for surrounding municipalities. The amount collected but not remitted at June 30, 2009, was $46,553 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2009.

Property tax receivables and allowances by major, other governmental and agency funds as of June 30, 2009 were as follows:

	General	Rural fire	Nonmajor Governmental	Total Governmental	Agency
Property taxes receivable	$ 736,730	$ 176,838	$ 121,816	$ 1,035,384	$ 2,467,072
Less: Allowance	14,733	3,537	2,439	20,709	49,774
Net taxes receivable	$ 721,997	$ 173,301	$ 119,377	$ 1,014,675	$ 2,417,298

A receivable is recorded when an enforceable legal claim for property taxes has arisen, and revenue is recognized when the resources are available.

NOTE 5 - CAPITAL ASSETS

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

	Balance June 30, 2008	Increases	Decreases / Transfers	Balance June 30, 2009
Governmental Activities				
Capital assets not being depreciated				
Land	$ 832,504	$ -	$ -	$ 832,504
Construction in progress	902,725	2,141,193	-	3,043,918
Total capital assets at historical cost not being depreciated	1,735,229	2,141,193	-	3,876,422
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	10,541,635	858,502	(314,971)	11,085,166
Infrastructure	107,222,278	96,295	-	107,318,573
Total capital assets at historical cost being depreciated	136,444,419	954,797	(314,971)	137,084,245
Less accumulated depreciation for:				
Buildings	(5,180,291)	(372,838)	-	(5,553,129)
Vehicles and equipment	(5,808,339)	(851,756)	258,879	(6,401,216)
Infrastructure	(46,617,255)	(3,523,040)	-	(50,140,295)
Total accumulated depreciation	(57,605,885)	(4,747,634)	258,879	(62,094,640)
Total capital assets being depreciated, net	78,838,534	(3,792,837)	(56,092)	74,989,605
Governmental activities capital assets, net	$ 80,573,763	$ (1,651,644)	$ (56,092)	$ 78,866,027

Depreciation expense was charged to the following function:

General Government	$ 94,953
Public Safety	617,192
Public Works	3,845,584
Health and Welfare	142,429
Culture and Recreation	47,476
Total Governmental Activities Depreciation Expense	$ 4,747,634

NOTE 6 - RETIREMENT PLANS

Substantially all County employees participate in the South Carolina Retirement System (SCRS), or the South Carolina Police Officers Retirement System (PORS), a cost-sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. Substantially all of the component units' employees are members of SCRS. The Plan offers retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. The system issues a publicly available financial report that includes financial statements and required information for the South Carolina Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, SC 29211-1960.

During the fiscal year ended June 30, 2009, 2008 and 2007, salaries of $10,892,737, $9,561,534 and $9,020,824 were paid by the County, respectively. Of that amount, $4,274,128, $3,615,767 and $3,307,610, respectively, were covered under the PORS and $6,618,609, $5,934,315 and $5,713,214, respectively, were covered under the SCRS.

(Continued)

NOTE 6 - RETIREMENT PLANS, Continued

South Carolina Retirement System (SCRS) Plan members are required to contribute 6.50% of their annual covered salary for the year ended June 30, 2009 (6.50% for the year ended June 30, 2008 and 6.50% for the year ended June 30, 2007). During the fiscal years ended June 30, 2009, 2007 and 2006, the County contributed at an actuarially determined rate of 9.24%, 9.06% and 8.05% of annual payroll, respectively. In addition, the County contributes .15% of payroll to provide group life insurance benefits. Police Officers Retirement System (PORS) - Participating employees contribute 6.5% of their annual covered payroll. The County contributes at an actuarially determined rate of 10.65% of annual payroll plus an additional .2% of payroll to provide group life insurance and accidental death.

Both employees and the County are required to contribute to the Plan at rates established under authority of Title 9 of the South Carolina Code of Laws. The contribution requirements for the current and two proceeding years were equal to the required contribution for each year and are as follows:

	Employee Amount	Contributions % of Wages	Employer Amount	Contributions % of Wages	Total
SCRS					
June 30, 2009	$ 422,945	6.50%	$ 621,487	9.24%	$ 1,044,432
June 30, 2008	374,827	6.50%	546,550	8.05%	921,377
June 30, 2007	359,584	6.50%	468,484	8.05%	828,068
PORS					
June 30, 2009	$ 277,819	6.50%	$ 463,743	10.65%	$ 741,562
June 30, 2008	235,025	6.50%	379,656	10.50%	614,681
June 30, 2007	214,996	6.50%	353,914	10.50%	568,910

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program after July 1, 2005 are required to pay the same pre-tax contribution to SCRS during the TERI period, but do not earn service credit.

NOTE 7 - DEFERRED COMPENSATION PLANS

The County and the component units employees may participate in the 457 and/or 401(k) deferred compensation plans, which are available to state and local governmental employees and administered by a state approved nongovernmental third party. The plans, available to all County and component unit employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrator for both the 457 and 401k plans is the South Carolina Deferred Compensation Program, c/o ING, Post Office Box 5182, Boston, MA 02206-5182 (under state contract).

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan description, contribution information and funding policies

In addition to providing pension benefits, the County provides certain post-employment health care benefits for eligible retired employees and their dependents. The coverage is optional and not all retirees participate. Employees retiring with 28 or more years of service, regardless of age, or employees retiring with 20 years or more of service and who are at least 60 years of age, may elect to remain in the county health insurance group. Also, employees retiring with 15 years or more of service and who are at least 62 years of age may elect to remain in the county health insurance group. For retirees meeting one of the three above listed requirements, premiums for the standard health plan, for the retiree only, are paid by the County. Coverage premiums for spouse or family coverage must be paid by the retiree, as set forth by the State Health Plan in such amounts as may be in effect. Upon Medicare eligibility, each retiree must convert to Medicare as their primary coverage, with supplemental coverage paid by the County for the retiree. Any spouse of a retiree may remain in the County plan until Medicare eligibility, provided all premiums are paid by the retiree. Spouses may be included in the supplement plan, with premiums paid by the retiree. Cash in lieu of coverage shall not be option. Any deputized officer determined totally disabled as a result of the performance of his duties, shall qualify for these same benefits with 15 years of service regardless of age.

Annual OPEB costs and Net OPEB Obligation

The County first had an actuarial valuation performed for the plan as of June 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2009. The County's annual OPEB cost of $807,768 is equal to the ARC for the initial reporting year since the transition liability was set at zero as of June 30, 2008. The County's annual OPEB costs and the net OPEB obligation for June 30, 2009 was as follows (information for prior years is not available as the actuarial valuation was performed for the first time as of June 30, 2008):

	Governmental General
Employer normal costs	$ 455,269
Amortization of UAL*	352,499
Annual required contribution (ARC)	$ 807,768
Interest on net obligation	-
Annual OPEB costs	$ 807,768
Contributions made	130,496
Net OPEB obligation - end of year	$ 677,272

* Unfunded Actuarial Accrued Liabilities (UAAL) were amortized over 30 years.

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

Fiscal Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2009	$ 807,768	16.16%	$ 677,272

(Continued)

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2009, was as follows:

		Governmental General
Actuarial accrued liability	$	8,454,834
Actuarial value of plan assets		-
Unfunded actuarial accrued liability	$	8,454,834
Funded Ratio		0.00%
Covered payroll	$	10,892,737
Unfunded actuarial accrued liability as a percentage of covered payroll		77.62%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan 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.

In the June 30, 2008, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent-of-payroll required to fully amortize the UAAL over a 30 year period. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 7.5% health care trend inflation rate for 2009 and decreases 0.5% each year until 2014, and thereafter 5.0% was assumed. Dental cost trend inflation is assumed to be 8.9% for 2009, decreasing annually by 0.8% until 2014, thereafter assumed to be 5.0% per year.

NOTE 9 - LEASES

The County has entered into lease agreements as lessee for financing the acquisition of computer and communication equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2009:

Machinery and equipment	$	1,431,864
Less: Accumulated Depreciation		595,351
	$	836,513

The County also leases certain office equipment under non-cancelable operating leases with an initial term of one year or more.

(Continued)

NOTE 9 - LEASES, Continued

The following is a schedule of the future minimum lease payments under these leases, and the present value of the net minimum lease payments at June 30, 2009:

Fiscal year ending June 30,	Capital lease payments	Operating lease payments
2010	$ 506,724	$ 720
2011	345,768	-
2012	108,952	-
Total minimum lease payments	961,444	720
Less: Amount representing interest	58,415	-
Present value of future minimum lease payments	**$ 903,029**	**$ 720**

NOTE 10 - LONG-TERM DEBT

General obligation bonds

The County's borrowing power is restricted by amended Article X, Section 14 of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have a total debt outstanding that exceeds 8% of its assessed property value. Based on the December 31, 2009 taxable assessed property valuation net of exemptions of $152,367,884 (unaudited), the legal debt limit is $12,189,431, leaving a legal debt margin as of June 30, 2009 of $10,525,074.

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

General obligation bonds are payable from the debt service funds. General obligation (general purpose) bonds at June 30, 2009 are comprised of the following individual issues:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts due within one year
General obligation bonds					
$4,300,000, 1994 General Obligation Bonds, due in annual installments of $350,000 to $475,000 through April 1, 2009, interest at 5.65% to 6.00%	$ 475,000	$ -	$ 475,000	$ -	$ -
$3,700,000, 1998 General Obligation Bonds, due in annual installments of $225,000 to $375,000 through March 1, 2013, interest at 3.75%.	1,625,000	-	300,000	1,325,000	300,000
$1,000,000, 2000 General Obligation Bonds, due in annual installments of $96,277 to $125,413 through July 7, 2010, interest at 5.43%	357,207	-	112,827	244,380	118,953
$117,431, 2007 General Obligation Bonds, due in annual installments of $14,159 through April 1, 2017, interest at 4.09%	104,847	-	9,870	94,977	10,275
Total general obligation bonds	2,562,054	-	897,697	1,664,357	429,228
Special source revenue bonds					
$2,500,000, 2004 Special Source Bond, due in annual installments of $179,000 to $276,000 through June 2015, interest at 4.25%	1,774,000	-	266,000	1,508,000	260,000
Revenue Notes Payable					
Various notes payable due in annual installments of $180,216 to $264,574 through June 2010, interest at 5.55% to 8.99%	369,913	-	179,831	190,082	190,082
	$ 4,705,967	$ -	$ 1,343,528	$ 3,362,439	$ 879,310

Article X, Section 14, of the Constitution of the State of South Carolina, as amended, provides that indebtedness payable solely from a special source, which source does not involve revenues from any tax or license, may be issued by a county. State law empowers the one county to receive and retain revenues from a payment in lieu of taxes, to issue special source revenue bonds secured by and payable from all or a part of such revenues, for the purpose of defraying a portion of the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County in order to enhance the economic development of the County.

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2009 for the County are as follows:

Year endingJune 30,	Principal	Interest	Total
2010	$ 429,228	$ 66,842	$ 496,070
2011	461,123	48,712	509,835
2012	336,132	29,277	365,409
2013	386,587	16,634	403,221
2014	12,061	2,098	14,159
2015-2019	39,226	3,252	42,478
	$ 1,664,357	**$ 166,815**	**$ 1,831,172**

Available in the debt service fund is $528,590 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2009 are as follows:

Year ending June 30,	Principal	Interest	Total
2010	$ 260,000	$ 64,090	$ 324,090
2011	254,000	53,040	307,040
2012	248,000	42,245	290,245
2013	241,000	31,705	272,705
2014	249,000	21,462	270,462
2015-2019	256,000	10,880	266,880
	$ 1,508,000	**$ 223,422**	**$ 1,731,422**

The annual requirements to amortize all revenue notes payable outstanding as of June 30, 2009 are as follows:

Year ending June 30,	Principal	Interest	Total
2010	$ 190,082	$ 10,835	$ 200,917
	$ 190,082	**$ 10,835**	**$ 200,917**

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

Changes in long-term liabilities

A summary of changes in long-term debt follows:

	Estimated long term liability for annual leave	Lease obligations	Bonds Special source	Bonds General obligation	Revenue notes	Total
Payable at July 1, 2008	$ 457,439	$ 902,099	$ 1,774,000	$ 2,562,054	$ 369,913	$ 6,065,505
Amounts incurred	361,440	350,063	-	-	-	711,503
Amounts retired	(265,780)	(349,133)	(266,000)	(897,697)	(179,831)	(1,958,441)
Payable at June 30, 2009	$ 553,099	$ 903,029	$ 1,508,000	$ 1,664,357	$ 190,082	$ 4,818,567
Amounts due within one year	$ 270,000	$ 469,815	$ 260,000	$ 429,228	$ 190,082	$ 1,619,125

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

The balances of interfund receivables and payables at June 30, 2009, were as follows:

Receivable Fund	Payable Fund	Amount
Rural Fire	General Fund	$ 365,795
Nonmajor Governmental - Fire Coordinator	General Fund	786,184
Nonmajor Governmental - Fire Department Debt Service	General Fund	84,219
Nonmajor Governmental - General Obligation Debt Service	General Fund	521,760
		$ 1,757,958

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2009 consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
Nonmajor Governmental Funds	Rural Fire	$ 591,776

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

NOTE 12 - RESERVATIONS AND DESIGNATIONS OF FUND EQUITY

Reservations of fund balance, as appropriate for the particular funds, are established to indicate tentative managerial plans for financial resource utilization in a future period. Such designation is subject to change and may be legally authorized to finance any legal expenditures subsequently authorized by the governing body.

County ordinance requires that funds generated from the deficit reduction millage in excess of amounts required to offset current year deficits, if any, must be reserved to prevent future deficits in the general fund. This reserve is identified below as the contingency reserve.

Amounts included in fund balance are as follows:

Reserved:	
Debt service	$ 528,590
C funds for road maintenance	745,434
Contingency	1,939,786
	$ 3,213,810
Unreserved – Designated	
Sheriff	$ 141,530
Public works	120,000
Communications	29,000
Detention Center fencing	72,597
Building codes	11,900
Contingency	111,000
Roads and bridges	57,000
Computer maintenance	17,230
Fire coordinator	19,880
	$ 580,137

NOTE 13 - LITIGATION

There are several pending lawsuits in which the County is involved. The County attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

NOTE 14 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2009 have not yet been conducted; therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County has guaranteed the repayment of the debt of the Laurens County Health Care System in the event it defaults on its required debt payments. Per management, the Laurens County Health Care System is current on all its obligations and its operating profitability.

(Continued)

NOTE 14 - CONTINGENT LIABILITIES, Continued

As of June 30, 2009, the Health Care System's obligations on the two bonds the County guarantees totaled $6,550,000. The County provides a subsidy of $506,242 per year to the Health Care System which is funded by a tax levy. The Health Care System places funds for its next year's debt payments related to these two bond issues with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Health Care Bond Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

As of June 30, 2009, the Water and Sewer Commission's obligations on the one bond the County guarantees totaled $3,500,000. The County provides a subsidy of $412,400 per year to the Water and Sewer Commission which is funded by a tax levy. The Water and Sewer Commission places funds for its next year's debt payments related to their bond issue with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Water and Sewer Commission Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

The County has guaranteed the repayment of the debt of the Water and Sewer Commission in the event it defaults on its required debt payments. Per management, the Water and Sewer Commission is current on all its obligations and its operating profitability.

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Effective June 30, 2008 the County ceased operations at its inert materials landfill for debris waste. The landfill capacity was substantially depleted and management believes there will be no significant additional costs associated with the closing of the facility.

Solid household and commercial waste is disposed by an independent contractor in its landfill located outside Laurens County.

NOTE 16 - RISK MANAGEMENT

Laurens County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County carries commercial insurance. The County carries employee health and accident insurance through the South Carolina Office of Insurance Services, South Carolina Insurance Reserve Fund ("the Fund") which represents various South Carolina governmental entities joined together in a public entity risk pool. The County pays premiums to the Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

The County has elected to be "self-insured" for unemployment taxes, whereby it would reimburse the South Carolina Employment Security Commission for actual claims paid attributable to service in the employ of the County. During the year ended June 30, 2009, $19,505 in claims were paid and were reported in the general fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 17 - SUBSEQUENT EVENTS

Subsequent to year end, County council approved a general obligation bond issue of $600,000. As of the date of this report, the bonds had not been issued.

APPENDIX B

[FORM OF OPINION OF HAYNSWORTH SINKLER BOYD, P.A.]

[Purchaser]
[City, State]

Re: $6,400,000 General Obligation Bonds, Series 2010, of Laurens County, South Carolina

Sirs:

We have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance of the $6,400,000 General Obligation Bonds, Series 2010, of Laurens County, South Carolina (the "Bonds").

The Bonds are issued by Laurens County, South Carolina (the "County") pursuant to and for the purposes authorized by Sections 4-15-10 to 4-15-180, inclusive, Code of Laws of South Carolina, 1976, as amended and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, and an ordinance (the "Ordinance") duly adopted by the County Council of Laurens County (the "Council"), the governing body of the County.

In our opinion, the said proceedings are regular and in due form of law, and the Bonds constitute valid and binding obligations of the County, and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the County, without limit as to rate or amount. Provision has been made for the levy and collection of the tax to meet the payment of the principal of and interest on the Bonds, as the same respectively mature.

Pursuant to Section 4-15-160 and Section 12-2-50 of the South Carolina Code of Laws, 1976, as amended, the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax. The opinion of Bond Counsel is limited to the laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Bonds or the interest thereon under the laws of any other jurisdiction.

Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and such interest will not be included in adjusted current earnings of taxpayers taxed as corporations for purposes of computing alternative minimum tax of such corporations. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Council has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The County has represented that it expects that it and all entities subordinate thereto will issue in calendar year 2010 not exceeding $30 million of tax-exempt obligations. The County has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

It is to be understood that the obligations of the County under the Bonds and the Ordinance, and the enforceability thereof, may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State of South Carolina and of the constitutional powers of the United States of America, and applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors rights.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement dated _______________, 2010 relating to the Bonds. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We have been advised on this date that there is no litigation threatened or pending, which, in any manner, affects the validity of the Bonds.

We have examined an executed Bond of said issue, and in our opinion, its form and execution are in due form of law.

Very truly yours,

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Laurens County, South Carolina (the "Issuer") pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule") and in connection with the issuance of $6,400,000 General Obligation Bonds, Series 2010, of Laurens County, South Carolina (the "Bonds"). The Bonds are being issued pursuant to an Ordinance dated November 24, 2009 (the "Ordinance"). The Issuer represents, covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate, Limited Exemption. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the Rule. The Issuer hereby represents that as of the date hereof that it is not an "obligated person" within the meaning of the Rule with respect to more than $10,000,000 in aggregate principal amount of outstanding municipal securities not exempt from the Rule pursuant to Section 15c2-12(d)(i) thereof, including the Bonds, and that it is qualifies for the limited exemption from the Rule provided by Section 15c2-12(d)(2) thereof.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" or "Holder" shall mean the registered owner of a Bond and any Beneficial Owner thereof.

"Dissemination Agent" shall mean the Issuer or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" means the official statement of the Issuer, dated _______________, 2010, prepared in connection with the sale of the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"State Depository" shall mean any public or private depository or entity designated by the State as a State Depository for the purpose of the Rule. As of the date of this Agreement, there is no State Depository established in South Carolina.

SECTION 3. Provision of Information

The Issuer shall no later than February 1 of each year, commencing February 1, 2010, provide to the State Depository or make available (or cause the Dissemination Agent to make available) upon request by any person, the Issuer's general purpose financial statements for the Fiscal Year ending the preceding June 30, and, in addition thereto, the following information, which shall be substantially in the form as set forth in the Official Statement:

1. Ad valorem property tax collections for preceding fiscal year;
2. Assessed values of property for preceding fiscal year;
3. Ten largest taxpayers for the preceding fiscal year; and
4. The Issuer's budget for the then current fiscal year.

SECTION 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(i) principal and interest payment delinquencies.
(ii) non-payment related defaults.
(iii) unscheduled draws on debt service reserves reflecting financial difficulties.
(iv) unscheduled draws on credit enhancement reflecting financial difficulties.
(v) substitution of the credit or liquidity providers or their failure to perform.
(vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds.
(vii) modifications to rights of bondholders.
(viii) bond calls.
(ix) defeasances.
(x) release, substitution, or sale of property securing repayment of the securities.
(xi) rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and the State Depository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall give notice of such amendment in the same manner as for a Listed Event under Section 4(a), which notice shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data made available by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, such notice shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

LAURENS COUNTY, SOUTH CAROLINA

By: ______________________________
County Administrator
Laurens County, South Carolina

Date: ____________________, 2010

APPENDIX D

OFFICIAL BID FORM
$6,400,000 General Obligation Bonds, Series 2010
of Laurens County, South Carolina

James A Coleman
Chairman, County Council
c/o Haynsworth Sinkler Boyd, P.A.
1201 Main Street, Suite 2200
Columbia, South Carolina 29201

Telephone (803) 540-7829
Telecopy for Submission of Bids (803) 540-7721
Attn: Theodore DuBose

Subject to the provisions and in accordance with the Official Notice of Sale for the $6,400,000 General Obligation Bonds, Series 2010 (the "Bonds"), of Laurens County, South Carolina (the "County"), the terms of which are hereby made a part of this bid, we make the following NIC bid for the Bonds described in said Official Notice of Sale, this bid being for not less than all of the Bonds, maturing and bearing interest as follows:

Due March 1	Principal Amount	Interest Rate	Due March 1	Principal Amount	Interest Rate
2011	$40,000		2019	$530,000	
2012	75,000		2020	550,000	
2013	90,000		2021	580,000	
2014	55,000		2022	605,000	
2015	450,000		2023	630,000	
2016	465,000		2024	655,000	
2017	485,000		2025	685,000	
2018	505,000				

WE HEREBY CERTIFY THAT THERE IS NO GREATER DIFFERENCE THAN 2% BETWEEN THE HIGHEST AND LOWEST INTEREST RATES NAMED. We will pay $6,400,000 plus a premium of ($________________) and will accept delivery of the Bonds in accordance with the Official Notice of Sale. The undersigned hereby acknowledges receipt of and the opportunity to examine the Preliminary Official Statement for the Bonds dated July 8, 2010 accompanying the Official Notice of Sale.

WE HEREBY NOTIFY the County that we will purchase bond insurance for the Bonds from _________ at a premium of $_____________ and will comply with provisions of the Official Notice of Sale regarding the payment therefor.

The following is for information only and is not a part of this bid:

Total Interest to Maturity................ $__________
Less Premium .... $__________
Net Interest .... $__________
NIC .... __________%

____
Company Name

____
Address

____
Authorized Signature

____
Contact Name and Telephone Number

The foregoing proposal accepted this _______ day of July, 2010. On the reverse side of this Bid Form is a list of the members of our account on whose behalf this bid is made.

____
Chairman, County Council

The following is a list of the members of our account on whose behalf this bid is made: