

**LAURENS COUNTY,
SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

LAURENS COUNTY, SOUTH CAROLINA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Laurens County Council
County of Laurens
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 as of and for the year ended June 30, 2004 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express an opinion 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 opinion.

The financial statements referred to above include only the primary government of Laurens County, South Carolina, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do 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. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Laurens County, South Carolina as of June 30, 2004, and the changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 16 to the financial statements, the County changed its accounting policy related to financial presentation to comply with the provisions of Governmental Accounting Standards Board Statement No. 34, as it applies to infrastructure, effective July 1, 2003.

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 for the primary government of Laurens County as of June 30, 2004, 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 December 30, 2004 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 Budgetary Comparison 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 an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the accompanying schedule of expenditures of federal awards listed in the table of contents are presented for purposes of additional analysis or as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are not a required part of the basic financial statements of Laurens County, South Carolina. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 30, 2004

Elliott Davis, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of County of Laurens annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2004 by \$85.8 million (net assets). Of this amount \$2.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County issued \$2.5 million of special source revenue bonds during the year to finance an economic development project.
- The County repaid \$1.5 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was increased \$1.2 million.
- The general fund actual revenues were \$771 thousand greater than budgeted and general fund expenditures were \$508 thousand less 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

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire County government (except Fiduciary funds) and the County's component units	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	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • 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 decreased 2.0 million or 2.3% between fiscal years 2003 and 2004. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2003	2004	2003-2004
Current and other	\$ 24,899	\$ 18,288	(26.6)%
Capital assets	95,774	93,248	(2.6)%
Total assets	<u>120,673</u>	<u>111,536</u>	(7.6)%
Long-term debt	9,623	10,626	10.4%
Other liabilities	<u>23,224</u>	<u>15,079</u>	(35.1)%
Total liabilities	<u>32,847</u>	<u>25,705</u>	(21.7)%
Net assets			
Invested in capital assets, net of related debt	86,151	82,622	(4.1)%
Restricted	1,030	1,170	13.6%
Unrestricted	<u>645</u>	<u>2,039</u>	216%
Total net assets	<u>\$ 87,826</u>	<u>\$ 85,831</u>	(2.3)%

Net unrestricted assets of our governmental activities increased \$1.4 million. General fund expenses exceeded revenues by \$2.0 million. Capital assets of \$1.8 million were acquired while depreciation expense on existing capital assets totaled \$4.0 million.

Changes in net assets. The County's total revenues increased by 13.1 percent to \$27.9 million. (See Table A-2.) Forty-one percent of the County's revenue comes from property taxes. Approximately 22 percent comes from fees charged for services, fines and fees and 36 percent is from state and federal aid.

The total cost of all programs and services increased approximately \$2.8 million or 10.5 percent. The County's expenses cover a range of services, with about 40 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 13.1 percent, while total expenses increased 10.5 percent.

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

	Governmental Activities		Total Percentage Change
	<u>2003</u>	<u>2004</u>	<u>2003-2004</u>
Revenues			
Program revenues			
Charges for services and fees and fines	\$ 5,551	\$ 6,217	12.0%
Operating grants and contributions	3,870	7,058	82.4%
Capital grants and contributions	386	64	(83.4)%
General revenues			
Property taxes	11,609	11,437	(1.5)%
Other taxes	80	80	0.0%
Intergovernmental	3,121	3,061	(1.9)%
Other	<u>92</u>	<u>28</u>	(69.6)%
Total revenues	24,709	27,945	13.1%
Expenses			
General government	3,780	4,351	15.1%
Public safety	11,825	12,119	2.5%
Public works	7,478	7,977	6.7%
Health and welfare	748	471	(37.0)%
Culture and recreation	921	797	(13.5)%
Intergovernmental and private nonprofit	349	306	(12.3)%
Economic development	-	1,654	100%
Miscellaneous	1,457	1,216	(16.5)%
Interest and fiscal charges	<u>546</u>	<u>1,049</u>	92.1%
Total expenses	<u>27,104</u>	<u>29,940</u>	10.5%
Increase (decrease) in net assets	<u>\$ (2,395)</u>	<u>\$ (1,995)</u>	16.7%

Total revenues were \$3.2 million greater than the prior year. Of this increase, intergovernmental revenues were \$2.9 million greater than the prior year. State road funds, economic development and airport grant funds compose the majority of the intergovernmental increases. In addition, expenses were \$2.8 million greater than the prior year. The increase in expenses were directly related to the increase in revenues.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$3.1 million, or 55% above last year. Included in this year's total change in fund balance, however, is an increase of \$1.2 million in the County's general fund. The primary reasons for the general fund's increase mirror those highlighted in the analysis of governmental activities.

General Fund Budgetary Highlights

Actual general fund expenditures were \$508 thousand below budget amounts. This is primarily the result of a delay in some significant capital expenditures.

On the other hand, resources available for appropriation were \$771 thousand above the budgeted amount. As noted earlier:

- Property and other tax collections were greater than expected.
- Unexpected state funding also affected grant resources available for appropriation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the County had invested \$93.2 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 \$1.8 million. However, after depreciation capital assets decreased \$2.5 or 2.6 percent, over last year.

Table A-3
County of Laurens's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Total Percentage Change
	2003	2004	2003-2004
Land	\$ 844	\$ 844	0.0%
Construction in progress	-	1,491	100.0%
Buildings and improvements	18,673	18,681	0.0%
Furniture, fixtures and equipment	7,464	7,607	1.9%
Infrastructure	104,549	104,712	0.2%
Accumulated depreciation	(35,756)	(40,087)	12.1%
	\$ 95,774	\$ 93,248	(2.6)%

This year's major capital asset additions included:

- \$1.4 million in construction in progress.
- \$313 thousand additions of improvements and equipment.

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 \$10.6 million in bonds and capital lease obligations outstanding - an increase of 10.4 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. Our outstanding debt is significantly below this limit.

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

	Governmental Activities		Total Percentage Change
	<u>2003</u>	<u>2004</u>	<u>2003-2004</u>
General obligation bonds	\$ 7,651	\$ 6,577	(14.0)%
Revenue bonds	1,531	1,300	(15.1)%
Special source bonds	-	2,500	100.0%
Capital lease obligations	<u>441</u>	<u>249</u>	(43.5)%
Total	<u><u>\$ 9,623</u></u>	<u><u>\$ 10,626</u></u>	10.4%

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 or visit the County website at www.co.laurens.sc.us.

*LAURENS COUNTY,
SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2004*

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 12,590,298
Investments	1,398,989
Due from collection agents	449,799
Receivables:	
Taxes	687,301
Other	1,133,132
Due from other governments	1,771,350
Other assets	256,605
Capital assets:	
Land	844,414
Construction in progress	1,490,894
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	7,607,091
Infrastructure assets	104,711,924
Less accumulated depreciation	<u>(40,086,566)</u>
Total capital assets, net of depreciation	<u>93,248,263</u>
Total assets	<u>111,535,737</u>
LIABILITIES	
Accounts payable	1,086,279
Due to other governmental units	13,380,078
Accrued wages and benefits	60,681
Accrued interest payable	157,772
Other liabilities	69,471
Long-term liabilities:	
Due within one year	1,716,684
Due in more than one year	<u>9,234,337</u>
Total liabilities	<u>25,705,302</u>
NET ASSETS	
Invested in capital assets net of related debt	82,622,140
Restricted for:	
Debt service	930,555
Capital outlay	239,034
Unrestricted	<u>2,038,706</u>
Total net assets	<u>\$ 85,830,435</u>

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

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

	Program Revenues			Capital Grants and Contributions	Governmental Activities
	Expenses	Charges for services, fines and fees	Operating Grants and Contributions		
PRIMARY GOVERNMENT					
Governmental activities					
General government	\$ 4,350,863	\$ 970,136	\$ 911,670	\$ -	\$ (2,469,057)
Public safety	12,118,511	1,233,845	1,664,666	64,236	(9,155,764)
Public works	7,976,652	2,788,500	2,729,618	-	(2,458,534)
Health and welfare	471,479	166,448	-	-	(305,031)
Culture and recreation	797,341	185,525	-	-	(611,816)
Intergovernmental and private nonprofit	305,743	-	-	-	(305,743)
Economic development	1,654,300	525,000	334,555	-	(794,745)
Miscellaneous	1,215,473	12,831	1,189,035	-	(13,607)
Interest and fiscal charges	1,049,837	-	563,465	-	(486,372)
Total governmental activities	29,940,199	5,882,285	7,393,009	64,236	(16,600,669)

GENERAL REVENUES

Property taxes levied for:

General purposes	7,302,942
Special purpose	2,308,821
Debt service	1,825,556
Accommodations tax	79,830
Interest and investment income	10,023
Intergovernmental	3,060,852
Miscellaneous	17,463
Total general revenues	14,605,487

Change in net assets

Net assets beginning of year, as previously reported

Change in accounting principles

Prior period adjustment

Net assets beginning of year, as restated

Net assets end of year

	(1,995,182)
	13,519,147
	73,898,557
	407,913
	87,825,617
	\$ 85,830,435

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

LAURENS COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General</u>	<u>Rural Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,685,098	\$ 4,044,075	\$ 2,861,125	\$ 12,590,298
Investments	1,347,073	-	51,916	1,398,989
Property taxes receivable	382,763	156,273	148,265	687,301
Accounts receivable	1,133,033	-	99	1,133,132
Due from collection agents	449,799	-	-	449,799
Deferred charges	256,605	-	-	256,605
Due from other governments	1,771,350	-	-	1,771,350
Due from other funds	<u>4,301,015</u>	<u>-</u>	<u>-</u>	<u>4,301,015</u>
 Total assets	 <u>\$ 15,326,736</u>	 <u>\$ 4,200,348</u>	 <u>\$ 3,061,405</u>	 <u>\$ 22,588,489</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,057,151	\$ 29,128	\$ -	\$ 1,086,279
Deferred revenue	343,252	136,298	133,196	612,746
Accrued wages and benefits	60,681	-	-	60,681
Due to other agencies	69,471	-	-	69,471
Due to other funds	-	3,762,425	538,590	4,301,015
Due to other local governments	<u>13,380,078</u>	<u>-</u>	<u>-</u>	<u>13,380,078</u>
 Total liabilities	 <u>14,910,633</u>	 <u>3,927,851</u>	 <u>671,786</u>	 <u>19,510,270</u>
 FUND BALANCES				
Reserved for:				
Debt service	-	-	930,555	930,555
Capital outlay	-	-	24,673	24,673
Unreserved:				
Designated	214,361	-	-	214,361
Undesignated reported in:				
General fund	201,742	-	-	201,742
Special revenue fund	<u>-</u>	<u>272,497</u>	<u>1,434,391</u>	<u>1,706,888</u>
 Total fund balances	 <u>416,103</u>	 <u>272,497</u>	 <u>2,389,619</u>	 <u>3,078,219</u>
 Total liabilities and fund balances	 <u>\$ 15,326,736</u>	 <u>\$ 4,200,348</u>	 <u>\$ 3,061,405</u>	 <u>\$ 22,588,489</u>

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, 2004

Total fund balances - Governmental funds	\$ 3,078,219
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	844,414
Construction in progress	1,490,894
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	7,607,091
Infrastructure assets	104,711,924
Accumulated depreciation	<u>(40,086,566)</u>
Total capital assets	<u>93,248,263</u>
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	612,746
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	(6,577,066)
Special source revenue bond	(2,500,000)
Revenue notes payable	(1,299,760)
Capital leases payable	(249,297)
Accrued interest	(157,772)
Compensated absences	<u>(324,898)</u>
Total long-term liabilities	<u>(11,108,793)</u>
Net assets of governmental activities	<u>\$ 85,830,435</u>

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

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2004

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 7,790,949	\$ 1,882,487	\$ 2,198,717	\$ 11,872,153
Licenses and permits	540,423	-	-	540,423
Intergovernmental revenue	6,803,910	-	2,062,193	8,866,103
Charges for services	5,080,996	-	-	5,080,996
Interest and investment income	-	-	10,023	10,023
Miscellaneous revenue	1,126,310	-	52,584	1,178,894
Total revenues	21,342,588	1,882,487	4,323,517	27,548,592
EXPENDITURES				
General government	4,318,283	-	-	4,318,283
Public safety	9,577,866	1,127,494	905,492	11,610,852
Public works	4,204,639	-	258,725	4,463,364
Health and welfare	349,695	-	-	349,695
Culture & recreation	753,301	-	-	753,301
Intergovernmental & private non-profit	305,743	-	-	305,743
Economic development	3,145,194	-	-	3,145,194
Miscellaneous	16,034	-	591,476	607,510
Debt service:				
Principal retirement	-	83,504	2,265,785	2,349,289
Interest and fiscal charges	-	20,127	1,022,575	1,042,702
Total expenditures	22,670,755	1,231,125	5,044,053	28,945,933
Excess of revenues over (under) expenditures	(1,328,167)	651,362	(720,536)	(1,397,341)
Other financing sources (uses):				
Loan proceeds	2,500,000	-	-	2,500,000
Operating transfers in	-	-	711,809	711,809
Operating transfers out	-	(711,809)	-	(711,809)
Total other financing sources (uses)	2,500,000	(711,809)	711,809	2,500,000
Net change in fund balances	1,171,833	(60,447)	(8,727)	1,102,659
Fund balances, beginning of year	(755,730)	332,944	2,398,346	1,975,560
Fund balances, end of year	\$ 416,103	\$ 272,497	\$ 2,389,619	\$ 3,078,219

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

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, 2004

Net change in fund balances - Total government funds	\$ 1,102,659
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	1,804,220
Depreciation expense	<u>(4,330,262)</u>
Excess of depreciation expense over capital outlay	<u>(2,526,042)</u>
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.	
	<u>434,834</u>
Bond and capital lease 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, proceeds were received from:	
Special source revenue bond	<u>(2,500,000)</u>
	<u>(2,500,000)</u>
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	1,073,488
Revenue notes payable	230,801
Capital lease payments	<u>192,111</u>
Total long-term debt repayment	<u>1,496,400</u>
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	
	<u>4,102</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
	<u>(7,135)</u>
Change in net assets of government activities	<u>\$ (1,995,182)</u>

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

*LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004*

ASSETS	
Due from other funds	\$ 13,380,078
Property taxes receivable	<u>2,136,294</u>
Total assets	<u><u>\$ 15,516,372</u></u>

LIABILITIES	
Deferred revenue	1,916,538
Due to other taxing districts and agencies	<u>13,599,834</u>
Total liabilities	<u><u>\$ 15,516,372</u></u>

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

*LAURENS COUNTY, SOUTH CAROLINA
NOTES TO 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 governmental units. 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 and account groups of the County and its component units. 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

Proprietary fund

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)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets 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, sick leave, and sabbatical 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 an expenditure and fund liability in the fund that will pay for them.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

<u>Years of service</u>	<u>Annual leave accrual</u>
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 operating 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 May 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 manager or 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. One supplemental budgetary appropriation was made during the year.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

At year end, the carrying amount of the County's deposits was \$7,740,862 and the bank balance was \$7,956,865. At year end, all of the County's deposits were covered by federal depository insurance or by collateral held by the County's agent in the County's name. Cash on hand at June 30, 2004 was \$177,518.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

Investments

Investments are categorized as either (1) insured or registered or for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the government's name. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

	Categories			Carrying amount	Fair value
	1	2	3		
U.S. government agencies	\$ -	\$ 1,313,182	\$ -	\$ 1,313,182	\$ 1,313,182
Investment in mutual funds				34,143	34,143
Investment in state treasurer's investment pool				4,723,582	4,723,582
Total investments				\$ 6,070,907	\$ 6,070,907

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 (i.e., taxes collected for the year ended June 30, 2004, were levied on the assessed value as of December 31, 2002). 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, 2004, was \$119,471 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2004.

Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Allowances for uncollectible taxes receivable as of June 30, 2004 were as follows:

General Fund	\$ 343,252
Debt Service Fund	98,320
Rural Fire Fund	136,298
Fire Coordinator	19,019
Fire Debt Service	15,857

(Continued)

NOTE 4 - PROPERTY TAXES, Continued

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, 2004 was as follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Restatement</u>	<u>Restatement</u> <u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 844,414	\$ -	\$ 844,414	\$ 1,404,935	\$(1,404,935)	\$ 844,414
Construction in progress	-	-	-	1,490,894	-	1,490,894
Total capital assets at historical cost not being depreciated	<u>844,414</u>	<u>-</u>	<u>844,414</u>	<u>2,895,829</u>	<u>(1,404,935)</u>	<u>2,335,308</u>
Capital assets being depreciated						
Buildings	18,673,006	-	18,673,006	7,500	-	18,680,506
Vehicles and equipment	7,464,205	-	7,464,205	142,886	-	7,607,091
Infrastructure	<u>2,652,873</u>	<u>101,896,111</u>	<u>104,548,984</u>	<u>162,940</u>	<u>-</u>	<u>104,711,924</u>
Total capital assets at historical cost being depreciated	<u>28,790,084</u>	<u>101,896,111</u>	<u>130,686,195</u>	<u>313,326</u>	<u>-</u>	<u>130,999,521</u>
Less accumulated depreciation						
Buildings	(3,316,351)	-	(3,316,351)	(372,588)	-	(3,688,939)
Vehicles and equipment	(3,021,561)	-	(3,021,561)	(551,699)	-	(3,573,260)
Infrastructure	<u>(1,420,838)</u>	<u>(27,997,554)</u>	<u>(29,418,392)</u>	<u>(3,405,975)</u>	<u>-</u>	<u>(32,824,367)</u>
Total accumulated depreciation	<u>(7,758,750)</u>	<u>(27,997,554)</u>	<u>(35,756,304)</u>	<u>(4,330,262)</u>	<u>-</u>	<u>(40,086,566)</u>
Total capital assets at historical cost being depreciated, net	<u>21,031,334</u>	<u>73,898,557</u>	<u>94,929,891</u>	<u>(4,016,936)</u>	<u>-</u>	<u>90,912,955</u>
Governmental activities capital assets, net	<u>\$ 21,875,748</u>	<u>\$ 73,898,557</u>	<u>\$ 95,774,305</u>	<u>\$ (1,121,107)</u>	<u>\$(1,404,935)</u>	<u>\$ 93,248,263</u>

Depreciation expense was charged to the following function:

General Government	\$ 71,419
Public Safety	579,731
Public Works	3,513,288
Health and Welfare	121,784
Culture and Recreation	<u>44,040</u>
Total governmental activities depreciation expense	<u>\$ 4,330,262</u>

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.

(Continued)

NOTE 6 - RETIREMENT PLANS, Continued

Salaries - During the fiscal year ended June 30, 2004, salaries of \$7,421,552 were paid by the County. Of that amount, \$2,517,295 was covered under the SCPORS and \$4,904,257 was covered under the SCRS.

Funding Policy - South Carolina Retirement System (SCRS) Plan members are required to contribute 6% of their annual covered salary and the County contributes at an actuarially determined rate of 6.7% of annual payroll. In addition, the County contributes .15% of payroll to provide group life insurance benefits. Police Officers Retirement System (SCPORS) - Participating employees contribute 6.5% of their annual covered payroll. The County contributes on their behalf 10.3% of annual payroll plus an additional .2% of payroll to provide group life insurance.

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 preceding years were equal to the required contribution for each year and are as follows:

South Carolina Retirement System				
County year ended June 30,	Contribution amount		Contribution percentage	
	Employer	Employees	Employer	Employees
2004	\$ 335,942	\$ 294,255	6.85%	6.0%
2003	356,692	310,851	6.85%	6.0%
2002	355,004	310,952	6.85%	6.0%

South Carolina Police Officers Retirement System				
County year ended June 30,	Contribution amount		Contribution percentage	
	Employer	Employees	Employer	Employees
2004	\$ 264,316	\$ 163,624	10.50%	6.5%
2003	294,012	168,073	10.50%	6.5%
2002	297,184	183,971	10.50%	6.5%

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.

New employees may elect to participate in the Optional Retirement Program (ORP), which provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to and become the property of the participants. To elect ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

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.

(Continued)

NOTE 7 - DEFERRED COMPENSATION PLANS, Continued

Johnson & Higgins/Kirke - Van Orsdel, Inc., 400 Locust Street, Des Moines, Iowa, 50306, (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to County and component unit employees at their option.

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the County provides certain health care and life insurance benefits for retired employees as per the requirements of a local ordinance. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. Retired participants contribute to the plan by payment of monthly premiums. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid.

NOTE 9 - CAPITAL 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, 2004:

Machinery and equipment	\$ 624,750
Less: Accumulated depreciation	<u>(124,950)</u>
Carrying value	<u>\$ 499,800</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2004:

<u>Fiscal year ending June 30,</u>	
2005	\$ 145,945
2006	<u>119,467</u>
	265,412
Less: Amount representing interest	<u>(16,115)</u>
Present value of future minimum lease payments	<u>\$ 249,297</u>

NOTE 10 - LONG-TERM DEBT

General obligation bonds

General obligation bonds are payable from the debt service funds. General obligation (general purpose) bonds at June 30, 2004 are comprised of the following individual issues:

GENERAL OBLIGATION BONDS

\$2,500,000, 1988 General Obligation Bonds, due in annual installments of \$175,000 to \$200,000 through April 4, 2006, interest at 6.75 to 6.40%	\$ 375,000
\$970,000, 1989 General Obligation Bonds, due in annual installments of \$100,000 through April 1, 2005, interest at 6.80%	100,000
\$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%	2,075,000
\$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%	2,650,000
\$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%	753,308
\$1,000,000, 2002 General Obligation Bonds, due in annual installments of \$199,682 to \$216,267 through October 5, 2006, interest at 4.07%	<u>623,759</u>
Total general obligation bonds	<u>\$ 6,577,067</u>

SPECIAL SOURCE BOND

\$2,500,000, 2004 Special Source Bond, due in annual installments of \$179,000 to \$276,000 through June 2015, interest at 4.25%	<u>\$ 2,500,000</u>
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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%	<u>\$ 1,299,760</u>
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The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2004 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
2005	\$ 1,141,000	\$ 318,292	\$ 1,459,292
2006	1,129,086	258,980	1,388,066
2007	1,017,771	201,445	1,219,216
2008	832,016	151,957	983,973
2009	887,827	102,469	990,296
2010 - 2014	<u>1,569,366</u>	<u>169,893</u>	<u>1,739,259</u>
	<u>\$ 6,577,066</u>	<u>\$ 1,203,036</u>	<u>\$ 7,780,102</u>

Available in the debt service fund is \$930,555 to service the general obligation bonds.

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2004 for the component units are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
2005	\$ -	\$ -	\$ -
2006	179,000	209,844	388,844
2007	276,000	98,642	374,642
2008	271,000	86,913	357,913
2009	266,000	75,395	341,395
2010 - 2014	1,252,000	212,542	1,464,542
2015	256,000	10,880	266,880
	<u>\$ 2,500,000</u>	<u>\$ 694,216</u>	<u>\$ 3,194,216</u>

The annual requirements to amortize all revenue notes payable outstanding as of June 30, 2004 for the component units are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
2005	\$ 243,316	\$ 74,277	\$ 317,593
2006	251,826	60,239	312,065
2007	264,574	45,893	310,467
2008	170,133	30,782	200,915
2009	189,695	24,186	213,881
2010	180,216	12,437	192,653
	<u>\$ 1,299,760</u>	<u>\$ 247,814</u>	<u>\$ 1,547,574</u>

Changes in long-term liabilities

A summary of changes in long-term debt follows:

	Estimated long-term liability for annual leave	Lease obligations	Bonds			Total
			Special source	General obligation	Revenue notes	
Payable, July 1, 2003	\$ 329,000	\$ 441,408	\$ -	\$ 7,650,554	\$ 1,530,561	\$ 9,951,523
Amounts incurred	192,718	-	2,500,000	-	-	2,692,718
Amounts retired	(196,820)	(192,111)	-	(1,073,488)	(230,801)	(1,693,220)
Payable, June 30, 2004	<u>\$ 324,898</u>	<u>\$ 249,297</u>	<u>\$ 2,500,000</u>	<u>\$ 6,577,066</u>	<u>\$ 1,299,760</u>	<u>\$ 10,951,021</u>
Amounts due within one year	<u>\$ 197,400</u>	<u>\$ 134,868</u>	<u>\$ -</u>	<u>\$ 1,141,100</u>	<u>\$ 243,316</u>	<u>\$ 1,716,684</u>

NOTE 11 - INDIVIDUAL FUND INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

Balances at June 30, 2004, were:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 4,301,015	\$ -
Special revenue fund		
Rural fire	-	3,762,425
Fire Coordinator	-	538,590
	<u>\$ 4,301,015</u>	<u>\$ 4,301,015</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the timelag 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 revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total operating transfers during the year ended June 30, 2004 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Special Revenue Funds		
Rural Fire	\$ -	\$ 711,809
Gray Court	56,440	-
Cross Hill	82,450	-
Durbin Creek	56,550	-
Ekom	42,940	-
Green Pond	66,900	-
Hickory Tavern	78,350	-
Joanna	73,425	-
Mountville	21,250	-
Renno	27,300	-
Sandy Springs	26,389	-
Waterloo	43,990	-
Western Laurens	74,225	-
Young's	61,600	-
	<u>\$ 711,809</u>	<u>\$ 711,809</u>

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 - 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 13 - 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, 2004 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. The Laurens County Health Care System is current on all its obligations and its operating profitability.

As of June 30, 2004, the Health Care System's obligations on the two bonds the County guarantees totaled \$6,826,363. The County provides a subsidy of \$546,786 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.

NOTE 14 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County operates an inert landfill for debris waste. Solid household and commercial waste is disposed by an independent contractor in its landfill located outside Laurens County.

NOTE 15 - 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, 2004, \$24,302 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 16 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

During 2003, The County's property taxes receivable were recorded incorrectly. The error caused an understatement of property tax revenue and the related receivable. As a result, beginning net assets has been restated. The effect of this restatement increased beginning net assets by \$407,913.

For fiscal year 2004, the County implemented GASB Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as it relates to the recording of infrastructure.

Implementation of GASB 34 resulted in certain retroactive adjustments to beginning net assets. The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

Net assets, June 30, 2003, as previously reported	\$ 13,519,147
Prior period adjustment	<u>407,913</u>
Beginning net assets, as restated for prior period adjustment	<u>13,927,060</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Accumulated depreciation	(27,997,554)
Infrastructure	<u>101,896,111</u>
	<u>73,898,557</u>
Net assets, June 30, 2003, restated	<u>\$ 87,417,704</u>

SUPPLEMENTARY INFORMATION

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
TAXES				
Property taxes and current penalties	\$ 6,773,418	\$ 6,773,418	\$ 7,438,976	\$ 665,558
	<u>6,773,418</u>	<u>6,773,418</u>	<u>7,438,976</u>	<u>665,558</u>
LICENSES AND PERMITS				
Utility franchise fee	75,000	75,000	127,972	52,972
Building permits	185,000	185,000	308,903	123,903
Mobile home licenses	154,000	154,000	100,898	(53,102)
Septic tank fee	1,000	1,000	2,650	1,650
	<u>415,000</u>	<u>415,000</u>	<u>540,423</u>	<u>125,423</u>
INTERGOVERNMENTAL REVENUE				
Aid to subdivisions	3,068,735	3,068,735	3,060,852	(7,883)
Veterans Service Office	11,421	11,421	7,082	(4,339)
National Forest fund	60,000	60,000	62,985	2,985
Registration board	-	-	34,768	34,768
Civil defense	5,500	5,500	-	(5,500)
Department of Social Services	40,000	40,000	51,703	11,703
Dept. of Health and Environmental Contr	-	-	81,609	81,609
Child support	-	-	149,945	149,945
Environmental control penalty	5,000	5,000	-	(5,000)
Library	70,293	70,293	-	(70,293)
Accommodations tax	30,000	30,000	79,830	49,830
State salary supplement	4,725	4,725	6,270	1,545
Laurens & Clinton PD for Comm	58,140	58,140	78,125	19,985
Laurens/Clinton PD- Vict. Ass't	-	-	52,077	52,077
Laurens/Clinton/Cross Hill Mag	30,000	30,000	25,215	(4,785)
Cooperative Capital Credit Distribution	-	-	777	777
Manufacturers' exemption	75,000	75,000	-	(75,000)
Merchants' inventory exempt	49,176	49,176	40,841	(8,335)
One percent monies - Greenville	10,000	10,000	22,568	12,568
Victims' assistance	53,830	53,830	47,882	(5,948)
Justice grant	-	-	64,236	64,236
	<u>3,571,820</u>	<u>3,571,820</u>	<u>3,866,765</u>	<u>294,945</u>
CHARGES FOR SERVICES				
Clerk of Court fines and fees	600,000	600,000	610,243	10,243
Judge of Probate fees	132,890	132,890	112,130	(20,760)
Collection of city taxes	23,000	23,000	14,762	(8,238)
Treasurer's costs	65,000	65,000	120,983	55,983
Treasurer's other income	5,000	5,000	4,037	(963)
Sheriff fees	-	-	8,995	8,995
Cross Hill support/sheriff	22,533	22,533	22,830	297
Gray Court support/sheriff	45,066	45,066	56,505	11,439
Vital statistics	10,000	10,000	6,101	(3,899)
Clerk victim's assistance	55,207	55,207	20,332	(34,875)
Magistrate victim's assistance	127,836	127,836	53,631	(74,205)
Magistrate fines and fees	700,000	700,000	689,076	(10,924)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
CHARGES FOR SERVICES, Continued				
Vehicle road fee	475,000	475,000	446,304	(28,696)
E-911 cell phone fee	30,000	30,000	14,915	(15,085)
E-911 telephone fee	390,800	390,800	333,586	(57,214)
E-911 false alarm charges	-	-	150	150
Emergency medical services fees	1,025,000	1,025,000	681,685	(343,315)
Residential landfill fees	1,681,700	1,681,700	1,801,773	120,073
Coroner fees	-	-	860	860
Road & bridge fees	-	-	895	895
Detention center phone commissions	-	-	458	458
School District 55 SRO Match	100,000	100,000	80,745	(19,255)
	<u>5,489,032</u>	<u>5,489,032</u>	<u>5,080,996</u>	<u>(408,036)</u>
MISCELLANEOUS REVENUE				
Interest income	-	-	1,799	1,799
Building rental	700	700	1,397	697
Sprint PD on futures initiative	25,000	25,000	-	(25,000)
Futures PD on Upstate	10,000	10,000	-	(10,000)
Miscellaneous	55,000	55,000	155,828	100,828
Library	20,000	20,000	45,507	25,507
	<u>110,700</u>	<u>110,700</u>	<u>204,531</u>	<u>93,831</u>
TOTAL BUDGETED REVENUES	<u>\$ 16,359,970</u>	<u>\$ 16,359,970</u>	<u>17,131,691</u>	<u>\$ 771,721</u>
NON-BUDGETED REVENUES				
State funds for road maintenance			2,470,893	
Sterilite project			859,555	
Matching funds - FAA grant			105,045	
Airport rejuvenate project grant			1,500	
Taxiway project			25,152	
Federal drug forfeitures			355	
State drug forfeitures			52,392	
Property taxes for indigent care			166,448	
Property taxes for technical education			185,525	
Miscellaneous			344,032	
			<u>4,210,897</u>	
TOTAL NON-BUDGETED REVENUES			<u>4,210,897</u>	
TOTAL REVENUES			<u>\$ 21,342,588</u>	

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL
For the year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
GENERAL GOVERNMENT				
Administration	\$ 297,817	\$ 325,940	\$ 307,056	\$ 18,884
County Council	86,462	117,438	120,503	(3,065)
Judge of Probate	167,854	208,804	203,543	5,261
Registration	117,457	148,955	157,284	(8,329)
Capital Expenditures	93,812	93,812	92,318	1,494
Human Resources	54,206	73,039	68,980	4,059
Finance Department	134,499	158,013	155,711	2,302
Purchasing/Vehicle Maintenance	56,315	68,830	68,617	213
Non-Departmental	3,153,702	1,193,553	385,314	808,239
Auditor	289,374	317,713	311,393	6,320
Treasurer	231,694	282,046	275,255	6,791
Miscellaneous	71,800	71,800	118,307	(46,507)
Tax Assessor	302,861	376,245	366,938	9,307
Clerk of Court	471,171	552,653	530,326	22,327
Buildings and Grounds Maintenance	602,736	671,553	664,433	7,120
Airport	53,150	60,066	47,375	12,691
Contingency	52,250	48,670	26,639	22,031
Magistrates	322,480	419,469	418,291	1,178
	<u>6,559,640</u>	<u>5,188,599</u>	<u>4,318,283</u>	<u>870,316</u>
PUBLIC SAFETY				
Coroner	92,746	107,915	117,644	(9,729)
E-911	384,381	416,410	417,485	(1,075)
Emergency Preparedness	38,890	41,232	101,203	(59,971)
Emergency Operations	561,167	668,527	650,881	17,646
Emergency Medical Services	2,107,489	2,107,489	2,171,433	(63,944)
Victims' Assistance	175,862	175,862	139,819	36,043
Sheriff	2,112,684	2,696,201	2,870,642	(174,441)
Detention Center	1,484,983	1,807,255	2,004,047	(196,792)
BJA grant	-	-	74,883	(74,883)
Road/Bridges	669,342	776,262	717,514	58,748
Inspection/Permits	256,346	313,752	312,315	1,437
	<u>7,883,890</u>	<u>9,110,905</u>	<u>9,577,866</u>	<u>(466,961)</u>
PUBLIC WORKS				
Public Works	116,318	141,653	141,634	19
Solid Waste Management	1,660,062	1,660,062	1,592,112	67,950
	<u>1,776,380</u>	<u>1,801,715</u>	<u>1,733,746</u>	<u>67,969</u>
HEALTH AND WELFARE				
Veterans Affairs	55,700	69,641	69,537	104
Health Department	14,250	14,250	13,525	725
Social Services	13,600	13,600	13,339	261
	<u>83,550</u>	<u>97,491</u>	<u>96,401</u>	<u>1,090</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
 GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT
 BUDGET AND ACTUAL
 For the year ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance favorable (unfavorable)
CULTURE AND RECREATION				
Parks and Recreation	133,337	151,563	137,171	14,392
Library	<u>521,237</u>	<u>615,820</u>	<u>616,130</u>	<u>(310)</u>
	<u>654,574</u>	<u>767,383</u>	<u>753,301</u>	<u>14,082</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
Local Government Assistance	298,156	298,156	276,798	21,358
Special Appropriations	20,045	20,045	20,045	-
Clemson Extension	<u>8,835</u>	<u>8,835</u>	<u>8,900</u>	<u>(65)</u>
	<u>327,036</u>	<u>327,036</u>	<u>305,743</u>	<u>21,293</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 17,285,070</u>	<u>\$ 17,293,129</u>	<u>16,785,340</u>	<u>\$ 507,789</u>
NON-BUDGETED EXPENDITURES				
State for road maintenance			2,470,893	
Sterilite project			3,145,194	
Indigent care			123,829	
Technical education			129,465	
Miscellaneous			<u>16,034</u>	
Total non-budgeted expenditures			<u>5,885,415</u>	
TOTAL EXPENDITURES			<u>\$ 22,670,755</u>	

LAURENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash with cash equivalents	\$ 1,940,670	\$ 920,455	\$ 2,861,125
Investments	51,916	-	51,916
Property taxes receivable	39,845	108,420	148,265
Accounts receivable	99	-	99
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 2,032,530</u></u>	<u><u>\$ 1,028,875</u></u>	<u><u>\$ 3,061,405</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 538,590	\$ -	\$ 538,590
Deferred revenue	34,876	98,320	133,196
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>573,466</u>	<u>98,320</u>	<u>671,786</u>
Fund balances			
Reserved for:			
Debt service	-	930,555	930,555
Capital outlay	24,673	-	24,673
Unreserved:			
Undesignated	1,434,391	-	1,434,391
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,459,064</u>	<u>930,555</u>	<u>2,389,619</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u><u>\$ 2,032,530</u></u>	<u><u>\$ 1,028,875</u></u>	<u><u>\$ 3,061,405</u></u>

LAURENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Property taxes	\$ 464,743	\$ 1,733,974	\$ 2,198,717
Intergovernmental	669,282	1,392,911	2,062,193
Interest	1,662	8,361	10,023
Miscellaneous	51,690	894	52,584
Total revenues	<u>1,187,377</u>	<u>3,136,140</u>	<u>4,323,517</u>
EXPENDITURES			
Public works	258,725	-	258,725
Public safety	905,492	-	905,492
Miscellaneous	359,589	231,887	591,476
Debt service			
Principal retirement	147,297	2,118,488	2,265,785
Interest and fiscal charges	65,626	956,949	1,022,575
Total expenditures	<u>1,736,729</u>	<u>3,307,324</u>	<u>5,044,053</u>
Excess of revenues over expenditures	<u>(549,352)</u>	<u>(171,184)</u>	<u>(720,536)</u>
Other financing sources (uses):			
Operating transfers in	711,809	-	711,809
Total other financing sources (uses)	<u>711,809</u>	<u>-</u>	<u>711,809</u>
Net change in fund balances	162,457	(171,184)	(8,727)
Fund balances, beginning of the year	<u>1,296,607</u>	<u>1,101,739</u>	<u>2,398,346</u>
Fund balances, end of the year	<u>\$ 1,459,064</u>	<u>\$ 930,555</u>	<u>\$ 2,389,619</u>

LAURENS COUNTY, SOUTH CAROLINA
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2004

ASSETS

Cash and cash equivalents	\$ 5,685,098
Investments	1,347,073
Property taxes receivable	382,763
Accounts receivable	1,133,033
Due from collection agents	449,799
Due from other funds	4,301,015
Due from other governments	1,771,350
Deferred charges	<u>256,605</u>
 Total assets	 <u>\$ 15,326,736</u>

LIABILITIES AND FUND BALANCES

<i>Liabilities</i>	
Accounts payable	\$ 1,057,151
Deferred revenue	343,252
Retirement and insurance withheld and accrued	60,681
Due to other agencies	69,471
Due to other funds	<u>13,380,078</u>
 Total liabilities	 <u>14,910,633</u>
 <i>Fund balances</i>	
Unreserved	
Designated for capital expenditures	214,361
Undesignated	<u>201,742</u>
 Total fund balances	 <u>416,103</u>
 Total liabilities and fund balances	 <u>\$ 15,326,736</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the year ended June 30, 2004

REVENUES	\$ 21,342,588
EXPENDITURES	<u>22,670,755</u>
Excess (deficiency) of revenues over expenditures	(1,328,167)
OTHER FINANCING SOURCES	
Loan proceeds	<u>2,500,000</u>
Net change in fund balance	1,171,833
FUND BALANCE, BEGINNING OF YEAR	<u>(755,730)</u>
FUND BALANCE, END OF YEAR	<u>\$ 416,103</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT				
Administration				
Salaries and wages	\$ 138,757	\$ 134,966	\$ 117,864	\$ 17,102
Fringe benefits	-	31,914	31,914	-
Professional services	110,000	110,000	110,200	(200)
Computer maintenance	5,000	5,000	2,377	2,623
Vehicle maintenance	400	400	485	(85)
Telephone	5,500	5,500	4,236	1,264
Advertising notices	1,500	1,500	2,605	(1,105)
Memberships/dues	250	250	253	(3)
Travel/meetings	2,500	2,500	2,501	(1)
Computer supplies	4,080	4,080	2,088	1,992
Office supplies	4,080	4,080	3,934	146
Postage	4,750	4,750	3,345	1,405
Vehicle supplies	1,000	1,000	1,396	(396)
Matching grant	20,000	20,000	23,858	(3,858)
	<u>297,817</u>	<u>325,940</u>	<u>307,056</u>	<u>18,884</u>
County Council				
Salaries and wages	59,592	59,592	59,592	-
Fringe benefits	-	30,976	30,976	-
Cell phones/pagers	500	500	1,648	(1,148)
Travel/per diem	16,800	16,800	16,800	-
Travel/meetings	9,570	9,570	11,487	(1,917)
	<u>86,462</u>	<u>117,438</u>	<u>120,503</u>	<u>(3,065)</u>
Judge of Probate				
Salaries and wages	135,554	135,554	134,567	987
Fringe benefits	-	40,950	40,950	-
Court reporter fees	750	750	-	750
Transports/mental exams	250	250	-	250
Computer maintenance	4,000	3,786	2,543	1,243
Equipment maintenance	3,000	3,000	3,000	-
Telephone	4,400	4,400	4,496	(96)
Memberships/dues	200	200	200	-
Travel/per diem	2,400	2,400	2,300	100
Travel/meetings	2,250	2,250	1,827	423
Office supplies	6,000	6,000	6,105	(105)
Postage and postage meter	3,800	4,014	4,148	(134)
Copier	4,500	4,500	3,407	1,093
Court fees/jury trials	750	750	-	750
	<u>167,854</u>	<u>208,804</u>	<u>203,543</u>	<u>5,261</u>
Registration				
Salaries	81,348	81,348	68,002	13,346
Fringe benefits	-	31,498	31,498	-
Equipment maintenance	1,000	1,000	11,208	(10,208)
Telephone	6,000	6,000	7,167	(1,167)
Memberships/dues	500	500	220	280
Travel/per diem	2,550	2,550	2,528	22
Travel/meetings	2,500	2,500	2,952	(452)
Election supplies	6,437	6,437	3,284	3,153
Office supplies	2,800	2,800	2,818	(18)
Postage	4,500	4,500	4,498	2
Ballots, poll workers, legal ads	9,822	9,822	23,109	(13,287)
	<u>117,457</u>	<u>148,955</u>	<u>157,284</u>	<u>(8,329)</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Capital Expenditures				
Financial accounting system	36,000	36,000	34,506	1,494
Regis-AIS lease payment	57,812	57,812	57,812	-
	<u>93,812</u>	<u>93,812</u>	<u>92,318</u>	<u>1,494</u>
Human Resources				
Salaries	38,626	44,165	44,165	-
Fringe benefits	-	13,294	13,294	-
Telephone	2,000	2,000	1,684	316
Advertising notices	5,000	5,000	3,462	1,538
Memberships/dues	300	300	300	-
Training	2,000	2,000	1,202	798
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	3,500	3,500	2,566	934
Office supplies	1,080	1,080	589	491
Postage	500	500	518	(18)
	<u>54,206</u>	<u>73,039</u>	<u>68,980</u>	<u>4,059</u>
Finance Department				
Salaries and wages	101,400	99,652	97,698	1,954
Fringe benefits	-	21,682	21,682	-
CSI maintenance contract	12,219	12,219	12,219	-
Telephone	2,200	3,288	3,290	(2)
Membership/dues	300	300	165	135
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	1,100	885	215
Office supplies	5,000	6,600	6,600	-
Postage	11,480	11,972	11,972	-
	<u>134,499</u>	<u>158,013</u>	<u>155,711</u>	<u>2,302</u>
Purchasing/Vehicle Maintenance				
Salaries and wages	37,710	37,710	37,710	-
Fringe benefits	-	12,515	12,515	-
Vehicle maintenance	900	900	882	18
Copying machine lease	13,000	13,000	12,809	191
Cell phone	500	500	452	48
Pager	155	155	99	56
Telephone	1,200	1,200	1,120	80
Advertising notices	750	750	734	16
Travel/meetings	400	400	436	(36)
Computer supplies	300	300	276	24
Office supplies	300	300	334	(34)
Postage	100	100	45	55
Vehicle supplies	1,000	1,000	1,205	(205)
	<u>56,315</u>	<u>68,830</u>	<u>68,617</u>	<u>213</u>
Non-Departmental				
Fringe benefits	2,896,832	936,683	125,692	810,991
Tort liability	111,320	111,320	115,346	(4,026)
Auto insurance	144,050	144,050	144,050	-
Audit/bank charges	1,500	1,500	226	1,274
	<u>3,153,702</u>	<u>1,193,553</u>	<u>385,314</u>	<u>808,239</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
 GENERAL FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL
 For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Auditor				
Salaries and wages	106,999	106,999	106,907	92
Fringe benefits	-	28,339	28,339	-
Equipment maintenance	800	800	743	57
Smith data contracts	165,000	165,000	160,714	4,286
Telephone	5,500	5,500	5,303	197
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,500	1,500	1,220	280
Office supplies	3,000	3,000	2,969	31
Postage	875	875	866	9
Copier-auditor/treasury	4,500	4,500	3,132	1,368
	<u>289,374</u>	<u>317,713</u>	<u>311,393</u>	<u>6,320</u>
Treasurer				
Salaries and wages	159,874	159,874	154,043	5,831
Fringe benefits	-	50,352	50,352	-
Equipment maintenance	500	500	500	-
Telephone	5,000	5,000	4,238	762
Training	2,000	2,000	1,685	315
Travel/per diem	3,600	3,600	3,586	14
Office supplies	5,720	5,720	4,297	1,423
Postage	55,000	55,000	56,554	(1,554)
	<u>231,694</u>	<u>282,046</u>	<u>275,255</u>	<u>6,791</u>
Miscellaneous				
Public defender	28,500	28,500	28,500	-
Watershed maintenance	23,750	23,750	23,750	-
Soil conservation rent	2,400	2,400	1,200	1,200
Bonds on employees	4,500	4,500	2,683	1,817
Family court telephone	3,500	3,500	4,169	(669)
Circuit judge phone	3,000	3,000	2,745	255
Soil conservation	3,350	3,350	3,350	-
Bd. Of Assess Appeals	500	500	-	500
Delegation	1,900	1,900	1,900	-
Health district meetings	400	400	-	400
Utility tax credits	-	-	50,000	*(50,000)
Use tax	-	-	10	(10)
	<u>71,800</u>	<u>71,800</u>	<u>118,307</u>	<u>(46,507)</u>
Tax Assessor				
Salaries and wages	250,110	250,110	248,308	1,802
Fringe benefits	-	73,384	73,384	-
Equipment maintenance	3,500	3,500	2,077	1,423
Copy machine lease	2,500	2,500	3,574	(1,074)
Postage meter lease	3,251	3,251	2,394	857
Telephone	5,000	5,000	3,219	1,781
Training	7,000	7,000	5,948	1,052
Travel/per diem	28,800	28,800	27,000	1,800
Office supplies	1,500	1,500	-	1,500
Postage	1,200	1,200	1,034	166
	<u>302,861</u>	<u>376,245</u>	<u>366,938</u>	<u>9,307</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Clerk of Court				
Salaries and wages	279,071	279,071	278,900	171
Fringe benefits	-	81,482	81,482	-
Jurors expense	74,500	74,500	57,475	17,025
Equipment maintenance	63,000	63,000	59,918	3,082
Telephone	10,000	10,000	8,689	1,311
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,000	1,000	833	167
Department supplies	400	400	89	311
Office supplies	15,000	15,000	12,238	2,762
Postage	27,000	27,000	29,502	(2,502)
	<u>471,171</u>	<u>552,653</u>	<u>530,326</u>	<u>22,327</u>
Building and Grounds Maintenance				
Salaries	177,611	177,611	175,161	2,450
Fringe benefits	-	68,817	68,817	-
Building maintenance	82,000	82,000	81,852	148
Maintenance contracts	20,000	20,000	21,099	(1,099)
Building insurance	56,975	56,975	54,247	2,728
Telephone	650	650	650	-
Department supplies	200	200	73	127
Janitorial supplies	25,000	25,000	24,726	274
Landscape maintenance supplies	15,000	15,000	12,632	2,368
Postage	50	50	39	11
Vehicle supplies	7,000	7,000	4,298	2,702
Utilities	156,000	156,000	155,699	301
Utilities/H.H.S. building	42,500	42,500	43,479	(979)
Utilities/sheriff's office	19,000	19,000	20,919	(1,919)
Miscellaneous and flags	750	750	742	8
	<u>602,736</u>	<u>671,553</u>	<u>664,433</u>	<u>7,120</u>
Airport				
Salaries and wages	28,450	28,450	26,880	1,570
Overtime	-	-	139	(139)
Fringe benefits	-	6,916	6,916	-
Equipment maintenance	6,000	6,000	5,366	634
Tractor maintenance	1,000	1,000	-	1,000
Telephone	1,250	1,250	529	721
Travel/meetings	1,000	1,000	500	500
Building maintenance supplies	750	750	202	548
Postage	100	100	52	48
Tractor supplies	350	350	-	350
Utilities	6,750	6,750	6,791	(41)
Matching FFA funds	7,500	7,500	-	7,500
	<u>53,150</u>	<u>60,066</u>	<u>47,375</u>	<u>12,691</u>
Contingency				
Contingency	52,250	48,670	26,639	22,031
Magistrates				
Salaries and wages	265,575	265,575	260,379	5,196
Fringe benefits	-	96,989	96,989	-
Jurors	11,505	11,505	16,995	(5,490)
Equipment maintenance	17,000	17,000	16,234	766
Building rent	2,800	2,800	2,400	400

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Magistrates, Continued				
Telephone	6,800	6,800	6,364	436
Memberships/dues	500	500	513	(13)
Travel/memberships	1,000	1,000	916	84
Travel/per diem	6,000	6,000	6,000	-
Travel/meetings	1,500	1,500	260	1,240
Office supplies	5,800	5,800	7,237	(1,437)
Postage	4,000	4,000	4,004	(4)
	<u>322,480</u>	<u>419,469</u>	<u>418,291</u>	<u>1,178</u>
 Total general government	 <u>\$ 6,559,640</u>	 <u>\$ 5,188,599</u>	 <u>\$ 4,318,283</u>	 <u>\$ 870,316</u>
 PUBLIC SAFETY				
Coroner				
Salaries and wages	31,171	31,171	33,843	(2,672)
Fringe benefits	-	15,169	15,169	-
Jurors expense	75	75	-	75
Stenographer	75	75	-	75
Autopsies	41,850	41,850	52,513	(10,663)
Vehicle maintenance	2,500	2,500	1,689	811
Cell phone	1,200	1,200	1,108	92
Internet	250	250	90	160
Pagers	400	400	321	79
Telephone	3,800	3,800	2,455	1,345
Membership/dues	325	325	200	125
Training	2,000	2,000	2,773	(773)
Travel/per diem	2,400	2,400	2,400	-
Office supplies	3,000	3,000	1,832	1,168
Vehicle supplies	2,000	2,000	1,616	384
Equipment	1,700	1,700	1,635	65
	<u>92,746</u>	<u>107,915</u>	<u>117,644</u>	<u>(9,729)</u>
 E-911				
Salaries and wages	126,131	126,131	122,419	3,712
Fringe benefits	-	32,029	32,029	-
Call check maintenance	3,000	3,000	3,000	-
Headset repair/replacement	1,200	1,200	1,203	(3)
Plotter maintenance	1,250	1,250	1,243	7
911 office voice mail	2,000	2,000	1,988	12
Recorder maintenance	3,200	3,200	3,200	-
Vehicle maintenance	1,800	1,800	1,800	-
Work station maintenance	19,000	19,000	15,279	3,721
Telephone	66,000	66,000	74,003	(8,003)
911 director telephone	2,400	2,400	3,245	(845)
E-911 public awareness	3,000	3,000	2,996	4
Training	2,500	2,500	2,409	91
Computer supplies	1,500	1,500	1,489	11
Copier supplies	2,000	2,000	1,912	88
Office supplies	1,000	1,000	990	10
Plotter paper supplies	1,000	1,000	1,000	-
Postage	600	600	598	2
Uninterrupted power supply	2,000	2,000	1,999	1

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
E-911, Continued				
Vehicle supplies	2,000	2,000	1,915	85
CAD lease purchase	119,800	119,800	119,768	32
CAD annual maintenance	23,000	23,000	23,000	-
	<u>384,381</u>	<u>416,410</u>	<u>417,485</u>	<u>(1,075)</u>
Emergency Preparedness				
Salaries and wages	16,765	16,765	1,809	14,956
Fringe benefits	-	2,342	2,342	-
Tornado siren	7,500	7,500	5,886	1,614
Rent/lease equipment	5,780	5,780	7,527	(1,747)
Telephone	2,300	2,300	2,308	(8)
Training	800	800	30	770
Travel	1,500	1,500	1,482	18
Office supplies	1,645	1,645	2,736	(1,091)
Postage	400	400	311	89
Uniforms	200	200	64	136
Machines/equipment	2,000	2,000	1,731	269
Grant expenditures	-	-	74,977	(74,977)
	<u>38,890</u>	<u>41,232</u>	<u>101,203</u>	<u>(59,971)</u>
Emergency Operations				
Salaries and wages	396,082	396,082	356,515	39,567
Overtime	47,000	47,000	75,677	(28,677)
Fringe benefits	-	107,360	107,360	-
COG mapping agreement	1,000	1,000	999	1
Charter records fiber network	6,000	6,000	5,935	65
DTN weather service	2,400	2,400	2,400	-
Service contract - Radio	30,000	30,000	29,967	33
Telephone maintenance	6,500	6,500	6,493	7
Vehicle maintenance	2,200	2,200	2,173	27
Pager	1,000	1,000	996	4
SLED NCIC terminal	7,500	7,500	7,500	-
Telephone	18,500	18,500	11,391	7,109
Emergency line	11,000	11,000	11,000	-
Printing and binding	750	750	929	(179)
Memberships/dues	400	400	400	-
Training	3,000	3,000	2,868	132
Travel/per diem	2,000	2,000	1,990	10
Computer supplies	1,200	1,200	1,205	(5)
Copier supplies	3,000	3,000	2,940	60
Office supplies	4,400	4,400	4,396	4
Postage	700	700	704	(4)
Road signs	9,785	9,785	9,772	13
Uniforms	750	750	742	8
Vehicle supplies	3,000	3,000	3,548	(548)
Copier lease	3,000	3,000	2,981	19
	<u>561,167</u>	<u>668,527</u>	<u>650,881</u>	<u>17,646</u>
Emergency Medical Services				
Salaries and wages	1,297,940	1,297,940	1,323,567	(25,627)
Fringe benefits	439,977	439,977	411,164	28,813
Insurance	5,000	5,000	-	5,000
Equipment maintenance	90,800	90,800	120,945	(30,145)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
 GENERAL FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL
 For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Emergency Medical Services, Continued				
Building maintenace	7,500	7,500	6,220	1,280
Telephone	24,850	24,850	32,835	(7,985)
Utilities	25,000	25,000	24,455	545
Training	15,000	15,000	16,377	(1,377)
Travel	1,597	1,597	1,026	571
Office supplies	8,000	8,000	7,468	532
Medical supplies	96,750	96,750	87,827	8,923
Vehicle supplies	68,250	68,250	94,789	(26,539)
Laundry & linen	1,000	1,000	147	853
Uniforms	20,325	20,325	14,426	5,899
Grant expenditures	-	-	28,393	(28,393)
Infection control	5,500	5,500	1,794	3,706
	<u>2,107,489</u>	<u>2,107,489</u>	<u>2,171,433</u>	<u>(63,944)</u>
Victims' Assistance				
Salaries and wages	73,362	73,362	72,307	1,055
Fringe benefits	25,000	25,000	22,277	2,723
Professional services	20,000	20,000	13,550	6,450
Computer system maintenance	5,000	5,000	-	5,000
Vehicle maintenace	1,200	1,200	1,048	152
Telephone	4,000	4,000	3,852	148
Printing and binding	1,500	1,500	686	814
Dues	250	250	-	250
Training	3,000	3,000	372	2,628
Copier supplies	600	600	466	134
Office supplies	2,000	2,000	631	1,369
Postage	1,000	1,000	260	740
Vehicle supplies	1,500	1,500	1,674	(174)
Travel	700	700	175	525
Vehicle	30,750	30,750	22,153	8,597
Contingency	6,000	6,000	368	5,632
	<u>175,862</u>	<u>175,862</u>	<u>139,819</u>	<u>36,043</u>
Sheriff				
Salaries and wages	1,561,484	1,561,484	1,523,287	38,197
Overtime	100,000	100,000	147,412	(47,412)
Holiday work pay	25,000	25,000	26,399	(1,399)
Fringe benefits	-	574,947	574,947	-
Professional services	1,500	1,500	2,277	(777)
Transports/mental exams	1,500	1,500	827	673
Towing/storage seized vehicles	1,200	1,200	2,325	(1,125)
Computer maintenance	14,000	14,000	16,385	(2,385)
Sex offender computer maintenance	5,000	5,000	7,076	(2,076)
Vehicle maintenance	95,000	103,570	153,589	(50,019)
Telephone	44,000	44,000	56,330	(12,330)
Training	8,000	8,000	4,928	3,072
Travel/meetings	8,500	8,500	3,926	4,574
Dept. supplies	24,500	24,500	22,234	2,266
K-Nine maintenance supplies	4,500	4,500	2,194	2,306
Office supplies	14,500	14,500	22,365	(7,865)
Postage	6,000	6,000	4,597	1,403
Reserve deputy supplies	10,000	10,000	8,694	1,306
Uniforms	38,500	38,500	43,574	(5,074)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Sheriff, Continued				
Vehicle supplies	145,000	145,000	216,005	(71,005)
Child support enforcement	-	-	24,531	(24,531)
Crime prevention program	1,000	1,000	2,372	(1,372)
Drug fund/stolen property	1,000	1,000	1,402	(402)
DARE Program	2,500	2,500	2,966	(466)
	<u>2,112,684</u>	<u>2,696,201</u>	<u>2,870,642</u>	<u>(174,441)</u>
Detention Center				
Salaries and wages	794,983	794,983	787,230	7,753
Overtime	103,000	103,000	159,606	(56,606)
Fringe benefits	-	322,272	322,272	-
Physician and medical supplies	188,000	188,000	295,768	(107,768)
Systems maintenance	35,000	36,955	66,504	(29,549)
Telephone	12,000	12,000	15,414	(3,414)
Juvenile incarceration	3,000	3,000	8,100	(5,100)
Training	3,500	3,500	2,995	505
Department supplies	43,000	41,045	44,179	(3,134)
Laundry and linen	2,500	2,500	3,006	(506)
Janitorial supplies	15,000	15,000	17,476	(2,476)
Office supplies	10,000	10,000	14,127	(4,127)
Utilities	70,000	70,000	89,737	(19,737)
Food/provisions	205,000	205,000	177,633	27,367
	<u>1,484,983</u>	<u>1,807,255</u>	<u>2,004,047</u>	<u>(196,792)</u>
Justice Grant				
Justice grant expense	-	-	74,883	(74,883)
Road/Bridges				
Salaries and wages	312,857	312,857	303,447	9,410
Fringe benefits	-	106,920	106,920	-
Professional services	500	500	81	419
Vehicle maintenance	41,500	41,500	32,356	9,144
Telephone	1,200	1,200	1,078	122
Training	400	400	-	400
Bridge maintenance supplies	41,000	41,000	8,203	32,797
Dept supplies	173,000	173,000	167,099	5,901
Office supplies	500	500	157	343
Pipe	18,600	18,600	16,368	2,232
Postage	85	85	74	11
Road signs	10,000	10,000	9,324	676
Vehicle supplies	65,000	65,000	54,984	10,016
Utilities	4,700	4,700	10,010	(5,310)
International boulevard project	-	-	24	(24)
Richloom road project	-	-	7,389	(7,389)
	<u>669,342</u>	<u>776,262</u>	<u>717,514</u>	<u>58,748</u>
Inspections/Permits				
Salaries	196,046	196,046	194,715	1,331
Fringe benefits	-	57,406	57,406	-
Professional services	5,000	5,000	4,984	16
Vehicle maintenance	3,000	3,000	3,255	(255)
Copy machine lease	2,500	2,500	1,560	940
Postage machine lease	2,000	2,000	1,448	552
Telephone	8,000	8,000	9,179	(1,179)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Inspections/Permits, Continued				
Training/uniforms	10,000	10,000	9,385	615
Travel/per diem	4,000	4,000	3,582	418
Computer supplies	5,800	5,800	5,445	355
Office supplies	10,000	10,000	9,682	318
Vehicle supplies	10,000	10,000	11,674	(1,674)
	<u>256,346</u>	<u>313,752</u>	<u>312,315</u>	<u>1,437</u>
Total public safety	<u>\$ 7,883,890</u>	<u>\$ 9,110,905</u>	<u>\$ 9,577,866</u>	<u>\$ (466,961)</u>
PUBLIC WORKS				
Public Works				
Salaries and wages	96,138	96,138	96,138	-
Fringe benefits	-	25,335	25,335	-
Vehicle maintenance	400	400	373	27
Telephone	2,100	2,100	2,118	(18)
Memberships/dues	290	290	328	(38)
Training	240	240	206	34
Travel/meetings	700	700	679	21
Office supplies	1,000	1,000	1,007	(7)
Postage	550	550	527	23
Uniforms	14,000	14,000	13,956	44
Vehicle supplies	900	900	967	(67)
	<u>116,318</u>	<u>141,653</u>	<u>141,634</u>	<u>19</u>
Solid Waste Management				
Salaries and wages	551,942	551,942	519,966	31,976
Fringe benefits	94,897	94,897	93,400	1,497
Professional services	1,900	1,900	355	1,545
Tire disposal fees	17,000	17,000	23,245	(6,245)
Well monitor	17,800	17,800	17,800	-
Public service supervision	4,250	4,250	4,356	(106)
Equipment maintenance	108,000	108,000	92,269	15,731
Telephone	1,500	1,500	1,524	(24)
Utilities	5,000	5,000	5,076	(76)
Transfer station fees	630,000	630,000	629,545	455
Equipment supplies	108,000	108,000	95,365	12,635
Landfill supplies	56,500	56,500	52,311	4,189
Miscellaneous	1,800	1,800	522	1,278
Contingency	61,473	61,473	56,378	5,095
	<u>1,660,062</u>	<u>1,660,062</u>	<u>1,592,112</u>	<u>67,950</u>
Total public works	<u>\$ 1,776,380</u>	<u>\$ 1,801,715</u>	<u>\$ 1,733,746</u>	<u>\$ 67,969</u>
HEALTH AND WELFARE				
Veterans Affairs				
Salaries and wages	49,525	49,525	49,385	140
Fringe benefits	-	13,941	13,941	-
Equipment maintenance	500	500	500	-
Vehicle maintenance	500	500	408	92
Telephone	1,600	1,600	1,846	(246)
Travel/meetings	1,500	1,500	1,468	32

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
Local Government Assistance				
Solicitor's office	133,000	133,000	133,000	-
Economic development/Chamber of Commerce	81,700	81,700	61,275	20,425
National Association of Counties	1,500	1,500	1,175	325
S.C. Association of Counties	13,894	13,894	13,894	-
Upper Savannah C.O.G.	46,262	46,262	45,654	608
Upstate Alliance	21,800	21,800	21,800	-
	<u>298,156</u>	<u>298,156</u>	<u>276,798</u>	<u>21,358</u>
Special Appropriations				
GLEAMNS	9,500	9,500	9,500	-
Laurens fed./blind	2,850	2,850	2,850	-
Senior options	7,695	7,695	7,695	-
	<u>20,045</u>	<u>20,045</u>	<u>20,045</u>	<u>-</u>
Clemson Extension				
Beautification project	850	850	850	-
Office supplies	2,685	2,685	2,745	(60)
Utilities	5,300	5,300	5,305	(5)
	<u>8,835</u>	<u>8,835</u>	<u>8,900</u>	<u>(65)</u>
Total intergovernmental and private non-profit	<u>\$ 327,036</u>	<u>\$ 327,036</u>	<u>305,743</u>	<u>\$ 21,293</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 17,285,070</u>	<u>\$ 17,293,129</u>	<u>16,785,340</u>	<u>\$ 507,789</u>
NON-BUDGETED EXPENDITURES				
State for road maintenance			2,470,893	
Sterilite project			3,145,194	
Indigent care			123,829	
Technical education			129,465	
Miscellaneous			16,034	
Total non-budgeted expenditures			<u>5,885,415</u>	
TOTAL EXPENDITURES			<u>\$ 22,670,755</u>	

LAURENS COUNTY, SOUTH CAROLINA
RURAL FIRE - BUDGET AND ACTUAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended June 30, 2004

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,882,487	\$ 1,844,078	\$ 38,409
Total revenues	<u>1,882,487</u>	<u>1,844,078</u>	<u>38,409</u>
EXPENDITURES			
Salaries and wages	223,323	250,959	27,636
Fringe benefits	83,847	114,260	30,413
Postage	60	150	90
Uniforms	2,220	3,000	780
Books and publications	52	150	98
Dues and subscriptions	-	100	100
Travel and meetings	-	750	750
Utilities	10,833	13,500	2,667
Insurance	167,589	150,000	(17,589)
Telephone	3,274	3,500	226
Maintenance contract	240	240	-
Building repairs	13,506	14,500	994
Vehicle repairs	12,220	13,000	780
Vehicle supplies	8,728	8,000	(728)
Equipment repairs	2,886	4,000	1,114
First responder supplies	118	250	132
Cleaning supplies	620	750	130
Training	110	500	390
Other	3,986	15,000	11,014
Capital outlay	128,167	143,769	15,602
Office supplies	989	1,000	11
Debt service			
Principal retirement	83,504	83,504	-
Interest	20,127	20,127	-
Fire contracts	444,282	415,155	(29,127)
Contingency	20,444	50,000	29,556
Total expenditures	<u>1,231,125</u>	<u>1,306,164</u>	<u>75,039</u>
Excess (deficiency) of revenues over expenditures	<u>651,362</u>	<u>537,914</u>	<u>113,448</u>
OTHER FINANCING USES			
Operating transfers out	(711,809)	(711,809)	-
Total other financing uses	<u>(711,809)</u>	<u>(711,809)</u>	<u>-</u>
Net change in fund balance	(60,447)	(173,895)	113,448
FUND BALANCES, BEGINNING OF YEAR	<u>332,944</u>	<u>332,944</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 272,497</u>	<u>\$ 159,049</u>	<u>\$ 113,448</u>

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the year ended June 30, 2004**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekron	Greenpond	Hickory Tavern
ASSETS									
Cash held by County Government	\$ 11,409	\$ 918,547	\$ 148,825	\$ 108,841	\$ 181,001	\$ 41,641	\$ 45,488	\$ 65,970	\$ 50,832
Cash held at fire departments	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Taxes receivable	-	21,791	18,054	-	-	-	-	-	-
Accounts receivable	-	-	-	-	99	-	-	-	-
Total assets	\$ 11,409	\$ 940,338	\$ 166,879	\$ 108,841	\$ 181,100	\$ 41,641	\$ 45,488	\$ 65,970	\$ 50,832
LIABILITIES AND FUND BALANCES									
Liabilities									
Deferred revenue	\$ -	\$ 19,019	\$ 15,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	538,590	-	-	-	-	-	-	-
Total liabilities	-	557,609	15,857	-	-	-	-	-	-
Fund balances									
Reserved for encumbrances	-	-	-	-	-	-	-	24,673	-
Unreserved	11,409	382,729	151,022	108,841	181,100	41,641	45,488	41,297	50,832
Undesignated	-	-	-	-	-	-	-	-	-
Total fund balances	11,409	382,729	151,022	108,841	181,100	41,641	45,488	65,970	50,832
Total liabilities and fund balances	\$ 11,409	\$ 940,338	\$ 166,879	\$ 108,841	\$ 181,100	\$ 41,641	\$ 45,488	\$ 65,970	\$ 50,832

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the year ended June 30, 2004**

	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
ASSETS								
Cash held by County Government	\$ 47,316	-	-	-	-	-	-	\$ 1,078,781
Cash held at fire departments	-	80,303	35,680	17,720	57,665	86,073	43,359	861,889
Investments	-	-	-	-	51,916	-	-	51,916
Taxes receivable	-	-	-	-	-	-	-	39,845
Accounts receivable	-	-	-	-	-	-	-	99
Total assets	\$ 47,316	\$ 80,303	\$ 35,680	\$ 17,720	\$ 109,581	\$ 86,073	\$ 43,359	\$ 2,032,530
LIABILITIES AND FUND BALANCES								
Liabilities								
Deferred revenue	-	-	-	-	-	-	-	\$ 34,876
Due to other funds	-	-	-	-	-	-	-	538,590
Total liabilities	-	-	-	-	-	-	-	573,466
Fund balances								
Reserved for encumbrances	-	-	-	-	-	-	-	24,673
Unreserved	47,316	80,303	35,680	17,720	109,581	86,073	43,359	1,434,391
Undesignated	-	-	-	-	-	-	-	-
Total fund balances	47,316	80,303	35,680	17,720	109,581	86,073	43,359	1,459,064
Total liabilities and fund balances	\$ 47,316	\$ 80,303	\$ 35,680	\$ 17,720	\$ 109,581	\$ 86,073	\$ 43,359	\$ 2,032,530

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2004

	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom	Greenpond	Hickory Tavern	Joanna	Mountville
REVENUES										
Property taxes	\$ 260,587	\$ 204,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state	-	-	9,140	-	-	-	41,535	-	17,307	1,351
Fundraising income	-	-	6,839	12,911	1,035	2,748	60	4,605	-	8,873
Interest	-	-	-	621	-	45	-	57	-	157
Other income	-	-	1,867	1,520	-	89	-	227	8,000	-
Total revenues	260,587	204,156	17,846	15,052	1,035	2,882	41,595	4,889	23,307	10,381
EXPENDITURES										
Salaries and wages	70,866	-	-	-	-	-	-	-	-	-
Fringe benefits	17,228	-	-	-	-	-	-	-	-	-
Advertising/printing/supplies	-	-	1,534	1,021	128	120	-	436	60	55
Postage	1,094	-	172	219	89	68	-	76	37	136
Books and publications	610	-	-	55	-	-	-	-	-	30
Dues and subscriptions	1,460	-	575	174	450	550	379	889	975	25
Travel and meetings	809	-	-	752	-	-	365	645	-	-
Fuel and oil	-	-	1,893	1,517	925	1,678	1,289	3,588	3,302	392
Utilities	-	-	4,669	6,422	9,397	4,020	1,949	6,663	8,360	2,341
Telephone	4,104	-	2,865	2,758	2,363	711	742	1,626	4,488	943
Maintenance contract	-	-	-	1,285	-	85	67	-	-	410
Building repairs	-	-	2,019	688	3,029	185	1,834	550	846	162
Vehicle repairs	2,167	-	3,791	3,348	2,405	4,258	1,653	1,011	10,200	738
Vehicle supplies	6,271	-	-	-	-	-	-	-	-	-
Equipment repairs	1,793	-	1,726	1,017	2,128	1,016	1,404	212	558	156
1st responder supplies	-	-	396	17,203	311	56	-	112	93	-
Cleaning supplies	9,125	-	-	93	955	-	241	276	55	300
Physician and medical supplies	4,080	-	-	-	-	-	-	-	-	-
Fire prevention supplies	4,866	-	1,069	697	3,001	-	-	555	-	55
Training	3,494	-	182	144	3,645	-	-	-	-	-
Rent expense	-	-	26	-	140	54	-	155	86	-
Bank charges	18,176	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	-	-
Other	-	-	2,019	262	2,232	419	148	413	597	157
Capital outlay	7,707	-	31,425	22,507	20,368	22,001	43,210	71,333	21,603	15,624
Office supplies	2,937	-	-	-	387	-	74	74	371	-
Fundraising expense	-	-	852	12,293	2,849	2,319	1,035	2,154	19,988	6,397
Grant expense	-	-	-	-	-	-	21,477	-	-	-
Fire fighting supplies	-	-	1,642	1,052	1,128	218	-	1,235	-	-
Dive supplies	-	-	-	678	-	-	-	-	-	-
Contingency	3,700	-	-	567	-	-	-	-	-	-
Trust department fees	-	-	-	-	-	-	-	-	-	-

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2004

	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn	Greenpond	Hickory Tavern	Joanna	Mountville (Continued)
EXPENDITURES, Continued										
Public works	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	136,299	-	8,175	2,823	-	-	-	-	-
Interest	-	64,618	-	734	274	-	-	-	-	-
Total expenditures	160,487	200,917	56,855	83,661	59,027	37,813	76,117	92,003	73,787	27,921
Excess (deficiency) of revenues over expenditures	100,100	3,239	(39,009)	(68,609)	(57,992)	(34,931)	(34,522)	(87,114)	(48,480)	(17,540)
OTHER FINANCING SOURCES										
Operating transfers in	-	-	56,440	82,450	56,550	42,940	66,900	78,350	73,425	21,250
Total other financing sources (uses)	-	-	56,440	82,450	56,550	42,940	66,900	78,350	73,425	21,250
Net change in fund balance	100,100	3,239	17,431	13,841	(1,442)	8,009	32,378	(8,764)	24,945	3,710
FUND BALANCES, BEGINNING OF YEAR	282,629	147,783	91,410	167,259	43,083	37,479	33,592	59,596	22,371	76,593
FUND BALANCES, END OF YEAR	\$ 382,729	\$ 151,022	\$ 108,841	\$ 181,100	\$ 41,641	\$ 45,488	\$ 65,970	\$ 50,832	\$ 47,316	\$ 80,303

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
For the year ended June 30, 2004

	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Community Development	Total
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 464,743
Federal and state	-	-	49,314	-	-	550,635	669,282
Fundraising income	1,496	-	-	-	-	-	38,567
Interest	-	13	539	192	38	-	1,662
Other income	219	989	-	67	145	-	13,123
Total revenues	1,715	1,002	49,853	259	183	550,635	1,187,377
EXPENDITURES							
Salaries and wages	-	-	-	-	-	-	70,866
Fringe benefits	-	-	-	-	-	-	17,228
Advertising/printing/supplies	836	247	721	6	335	-	5,499
Postage	74	172	191	117	74	-	2,519
Books and publications	-	-	-	-	89	-	1,163
Dues and subscriptions	250	292	130	454	800	-	7,389
Travel and meetings	-	-	-	258	-	-	2,714
Fuel and oil	2,805	1,831	3,726	2,192	1,243	-	26,381
Utilities	2,153	4,390	3,956	2,968	5,214	-	62,502
Telephone	857	2,270	3,271	839	-	-	27,837
Maintenance contract	-	154	2,408	-	-	-	4,409
Building repairs	705	2,253	2,139	147	3,515	-	18,072
Vehicle repairs	2,749	2,459	1,604	3,811	5,644	-	45,838
Vehicle supplies	-	-	-	-	-	-	6,271
Equipment repairs	-	157	1,577	825	1,013	-	13,582
1st responder supplies	116	1,468	234	-	1,585	-	21,518
Cleaning supplies	12	46	94	251	60	-	2,439
Physician and medical supplies	-	-	-	-	-	-	9,125
Fire prevention supplies	-	-	-	-	-	-	4,080
Training	-	-	451	304	189	-	11,242
Rent expense	-	-	1,218	-	-	-	8,539
Bank charges	6	60	-	72	-	-	743
Professional services	-	-	-	-	-	-	18,176
Other	319	1,414	7,918	548	250	-	16,696
Capital outlay	10,456	9,686	22,464	35,542	42,810	359,589	736,325
Office supplies	1,164	149	-	-	-	-	5,156
Fundraising expense	2,171	-	-	-	-	-	30,070
Grant expense	-	-	28,939	-	-	-	70,404
Fire fighting supplies	806	3,554	1,550	-	-	-	13,353
Dive supplies	-	-	-	-	-	-	678
Contingency	-	-	-	-	-	-	3,700
Trust department fees	-	-	-	-	-	-	567

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2004

	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Community Development	Total (Continued)
EXPENDITURES, Continued							
Public works	-	-	-	-	-	258,725	258,725
Debt service	-	-	-	-	-	-	147,297
Principal	-	-	-	-	-	-	65,626
Interest	-	-	-	-	-	-	1,736,729
Total expenditures	25,479	30,602	82,591	48,334	62,821	618,314	1,736,729
Excess (deficiency) of revenues over expenditures	(23,764)	(29,600)	(32,738)	(48,075)	(62,638)	(67,679)	(549,352)
OTHER FINANCING SOURCES							
Operating transfers in	27,300	26,389	43,990	74,225	61,600	-	711,809
Total other financing sources (uses)	27,300	26,389	43,990	74,225	61,600	-	711,809
Net change in fund balance	3,536	(3,211)	11,252	26,150	(1,038)	(67,679)	162,457
FUND BALANCES, BEGINNING OF YEAR	32,144	20,931	98,329	59,923	44,397	79,088	1,296,607
FUND BALANCES, END OF YEAR	\$ 35,680	\$ 17,720	\$ 109,581	\$ 86,073	\$ 43,359	\$ 11,409	\$ 1,459,064

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
COMBINING BALANCE SHEET
June 30, 2004

	<u>Total all funds</u>	<u>General Obligation bond</u>	<u>Health Care bond</u>
ASSETS			
Cash and cash equivalents	\$ 920,455	\$ 652,816	\$ 267,639
Property taxes receivable	<u>108,420</u>	<u>75,476</u>	<u>32,944</u>
Total assets	<u><u>\$ 1,028,875</u></u>	<u><u>\$ 728,292</u></u>	<u><u>\$ 300,583</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Deferred revenue	\$ <u>98,320</u>	\$ <u>68,640</u>	\$ <u>29,680</u>
Total liabilities	<u>98,320</u>	<u>68,640</u>	<u>29,680</u>
Fund balances			
Reserved for:			
Debt service	<u>930,555</u>	<u>659,652</u>	<u>270,903</u>
Total fund balances	<u>930,555</u>	<u>659,652</u>	<u>270,903</u>
Total liabilities and fund balances	<u><u>\$ 1,028,875</u></u>	<u><u>\$ 728,292</u></u>	<u><u>\$ 300,583</u></u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2004

	<u>Total all funds</u>	<u>General Obligation bond</u>	<u>Health Care bond</u>
REVENUES			
Property taxes	\$ 1,733,974	\$ 1,257,641	\$ 476,333
Intergovernmental	1,392,911	-	1,392,911
Interest	8,361	6,902	1,459
Miscellaneous	894	-	894
Total revenues	<u>3,136,140</u>	<u>1,264,543</u>	<u>1,871,597</u>
EXPENDITURES			
Debt service			
Principal retirement	2,118,488	1,073,488	1,045,000
Interest and fiscal charges	956,949	393,484	563,465
Miscellaneous expenditures	231,887	-	231,887
Total expenditures	<u>3,307,324</u>	<u>1,466,972</u>	<u>1,840,352</u>
Net change in fund balances	(171,184)	(202,429)	31,245
Fund balances, beginning of the year	<u>1,101,739</u>	<u>862,081</u>	<u>239,658</u>
Fund balances, end of the year	<u>\$ 930,555</u>	<u>\$ 659,652</u>	<u>\$ 270,903</u>

LAURENS COUNTY, SOUTH CAROLINA

FINES AND ASSESSMENTS

For the year ended June 30, 2004

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines Collected	\$ 31,039	\$ 489,884	\$ -
Assessments from general sessions	37,435	537,988	-
Surcharges collected	<u>30,612</u>	<u>248,347</u>	<u>-</u>
Total fines, assessments, and surcharges collected	<u>\$ 99,086</u>	<u>\$ 1,276,219</u>	<u>\$ -</u>
Fines retained by County Treasurer	17,382	489,884	-
Assessments retained by County Treasurer	13,249	58,970	-
Surcharges retained by County Treasurer	<u>22,591</u>	<u>29,285</u>	<u>-</u>
Total fines, assessments, and surcharges retained by County Treasurer	<u>\$ 53,222</u>	<u>\$ 578,139</u>	<u>\$ -</u>
Fines remitted to State Treasurer	13,657	-	-
Assessments remitted to State Treasurer	24,186	479,068	-
Surcharges remitted to State Treasurer	<u>8,021</u>	<u>219,062</u>	<u>-</u>
Total fines, assessments, and surcharges remitted to State Treasurer	<u>\$ 45,864</u>	<u>\$ 698,130</u>	<u>\$ -</u>

SINGLE AUDIT SECTION



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

Laurens County Council
County of Laurens
Laurens, South Carolina

We have audited the financial statements of the County of Laurens as of and for the year ended June 30, 2004, and have issued our report thereon dated December 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Laurens's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

This report is intended for the information and use of the Laurens County Council and management and is not intended to be and should not be used by anyone other than those specified parties.

December 30, 2004

Elliott Davis, LLC



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

Laurens County Council
County of Laurens
Laurens, South Carolina

Compliance

We have audited the compliance of the County of Laurens with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. County of Laurens's major federal programs are identified in the Summary of Auditor's Result section of the accompanying schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Laurens's management. Our responsibility is to express an opinion on the County of Laurens's compliance based on our audit.

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

In our opinion, the County of Laurens complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

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

This report is intended for the information and use of the Laurens County Council and management and is not intended to be and should not be used by anyone other than those specified parties.

December 30, 2004

Elliott Davis, LLC

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004

<u>Federal grantor/pass-through grantor/program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Program or award amount</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through State Department of Commerce				
Lydia Mills Housing Rehabilitation Project	14.228	4L01036	\$ 500,000	\$ 354,046
Beech Branch Road Waterline Project	14.228	4L02034	70,181	<u>53,017</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Federal Aviation Administration	20.106			<u>\$ 407,063</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through South Carolina Department of Social Services				
Child Support Enforcement - Family Court	93.563	G-04SC4004		\$ 135,102
Child Support Enforcement IV-D Incentive Payments	93.563	G-04SC4004		10,321
County Department of Social Services Administrative Expense	VARIOUS	VARIOUS		46,849
Sheriff's Department Unit Cost Reimbursement	93.563	G-04SC4004		<u>15,675</u>
<u>DEPARTMENT OF EDUCATION</u>				
Passed through South Carolina State Library				
Statewide Staff Development and Training	45.310			<u>\$ 11,500</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2004

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
U S DEPARTMENT OF JUSTICE				
Passed through the Office of the Justice Program				
Local Law Enforcement Block Grant Program	16.592	2002-LB-BX-0883	-	\$ 54,631
Local Law Enforcement Block Grant Program	16.592	2003-LB-BX-1570	64,236	12,791
				<u>\$ 67,422</u>
U. S. HOMELAND SECURITY ADMINISTRATION				
Passed through S C Law Enforcement Division:				
Supplemental State Homeland Security Grant	97.004	3HSS048		<u>\$ 115,599</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through the Office of the Adjutant General:				
Local Emergency Management Performance	97.042	EMA-2004-GR-5006		\$ 47,688
Emergency Preparedness & Response Directorate	83.554	EMW-2003-FG-11390		133,597
				<u>\$ 181,285</u>
Total federal assistance expended				<u>\$ 1,061,261</u>

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Laurens County, South Carolina.
2. No reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Laurens County, South Carolina were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Schedule of Findings and Questioned Costs.
5. The auditor's report on compliance for the major federal award program for Laurens County, South Carolina expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Laurens County, South Carolina are reported.
7. The programs tested as major programs were:

US Department of Housing and Urban Development	
Community Development Block Grants	14.228
8. The threshold for distinguishing Types A and B programs was \$500,000.
9. Laurens County, South Carolina qualified as a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

*LAURENS COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2004*

NONE