

**LAURENS COUNTY,  
SOUTH CAROLINA**

**REPORT ON FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

*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, 2005 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, 2005, 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.

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, 2005, 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 November 23, 2005 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 listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements of Laurens County, South Carolina. 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.

November 23, 2005

ELBERT 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, 2005. Please read it in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2005 by \$81.3 million (net assets). Of this amount \$1.1 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County issued \$2.5 million of bond anticipation notes during the year to finance a water and sewer project.
- The County entered into \$1.1 million of capital lease agreements during the year primarily related to its public safety operations.
- 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 decreased \$75 thousand.
- The general fund actual revenues were \$375 thousand less than budgeted and general fund expenditures were \$612 thousand greater 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> </ul>
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 4.978 million or 5.8% between fiscal years 2004 and 2005. (See Table A-1.)

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

	<b>Governmental Activities</b>		<b>Total Percentage Change</b>
	<u>2004</u>	<u>2005</u>	<u>2004-2005</u>
Current and other	\$ 19,182	\$ 19,317	0.7%
Capital assets	<u>93,248</u>	<u>90,245</u>	(3.2)%
Total assets	<u>112,430</u>	<u>109,562</u>	(2.6)%
Long-term debt	10,626	12,710	19.6%
Other liabilities	<u>15,524</u>	<u>15,550</u>	0.2%
Total liabilities	<u>26,150</u>	<u>28,260</u>	8.1%
Net assets			
Invested in capital assets, net of related debt	82,622	77,534	(6.2)%
Restricted	2,064	2,705	31.1%
Unrestricted	<u>1,594</u>	<u>1,063</u>	(33.3)%
Total net assets	<u>\$ 86,280</u>	<u>\$ 81,302</u>	(5.8)%

Net unrestricted assets of our governmental activities decreased \$531 thousand. General fund expenses exceeded revenues by \$75 thousand. Capital assets of \$1.5 million were acquired while depreciation expense on existing capital assets totaled \$4.5 million.

**Changes in net assets.** The County's total revenues increased by 3.0 percent to \$28.2 million. (See Table A-2.) Fifty-three percent of the County's revenue comes from property taxes. Approximately 19 percent comes from fees charged for services, fines and fees and 26 percent is from state and federal aid.

The total cost of all programs and services increased approximately \$3.8 million or 12.8 percent. The County's expenses cover a range of services, with about 41 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 3.0 percent, while total expenses increased 12.8 percent.

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

	<b>Governmental Activities</b>		<b>Total Percentage Change</b>
	<b>2004</b>	<b>2005</b>	<b>2004-2005</b>
<b>Revenues</b>			
Program revenues			
Charges for services and fees and fines	\$ 6,217	\$ 5,399	(13.2)%
Operating grants and contributions	6,941	687	(90.1)%
Capital grants and contributions	64	3,085	4720.3%
General revenues			
Property taxes	10,961	14,863	35.6%
Other taxes	80	139	73.8%
Intergovernmental	3,061	3,684	20.4%
Other	<u>28</u>	<u>307</u>	996.4%
<b>Total revenues</b>	<u>27,352</u>	<u>28,164</u>	3.0%
<b>Expenses</b>			
General government	4,351	7,584	74.3%
Public safety	12,119	13,672	12.8%
Public works	7,977	7,712	(3.3)%
Health and welfare	471	234	(50.3)%
Culture and recreation	797	791	(0.8)%
Intergovernmental and private nonprofit	306	337	10.1%
Miscellaneous	2,870	2,420	(15.7)%
Interest and fiscal charges	<u>486</u>	<u>392</u>	(19.3)%
<b>Total expenses</b>	<u>29,377</u>	<u>33,142</u>	12.8%
<b>Increase (decrease) in net assets</b>	<b><u>\$ (2,025)</u></b>	<b><u>\$ (4,978)</u></b>	<b>(145.8)%</b>

Total revenues were \$812 thousand greater than the prior year. Property taxes collected were \$3.9 million greater than the prior year. However, charges for services and fines and fees were \$818 thousand less than the prior year. In addition, intergovernmental revenues were \$2.6 million less than the prior year. State road funds, economic development and airport grant funds compose the majority of the intergovernmental decreases. In addition, expenses were \$3.8 million greater than the prior year. The increase in expenses were directly related to the water and sewer project and other economic development projects.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$3.5 million which is flat as compared to the prior year.

#### **General Fund Budgetary Highlights**

Actual general fund expenditures were \$612 thousand greater than budget amounts. This is primarily the result of negative budget variances in the sheriff and detention center departments.

On the other hand, resources available for appropriation were \$375 thousand less than the budgeted amount. This is primarily related to emergency medical service fees collected of \$675 thousand compared to budgeted fees of \$1.0 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2005, the County had invested \$90.2 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 \$1.4 million. However, after depreciation capital assets decreased \$3.0 million or 3.2 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
	2004	2005	2004-2005
Land	\$ 844	\$ 832	(1.5)%
Construction in progress	1,491	-	(100.0)%
Buildings and improvements	18,681	18,680	-
Furniture, fixtures and equipment	7,607	9,626	26.5%
Infrastructure	104,712	105,558	0.8%
Accumulated depreciation	(40,087)	(44,451)	10.9%
	<b>\$ 93,248</b>	<b>\$ 90,245</b>	<b>(3.2)%</b>

This year's major capital asset additions included:

- \$846 thousand in infrastructure improvements.
- \$2.1 million in equipment additions.

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

### Long-term Debt

At year-end the County had \$12.7 million in bonds and capital lease obligations outstanding - an increase of 19.6 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)*

	<b>Governmental Activities</b>		<b>Total Percentage Change</b>
	<u>2004</u>	<u>2005</u>	<u>2004-2005</u>
General obligation bonds	\$ 6,577	\$ 7,936	20.7%
Revenue bonds	1,300	1,056	(18.8)%
Special source bonds	2,500	2,500	-
Capital lease obligations	<u>249</u>	<u>1,218</u>	389.2%
Total	<u>\$ 10,626</u>	<u>\$ 12,710</u>	19.6%

This year's major outstanding debt changes included:

- \$2.5 million bond anticipation note proceeds.
- \$1.1 million in new capital leases related to public safety.
- \$1.5 million in bond, note and lease repayments.

#### CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

**LAURENS COUNTY,  
SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
JUNE 30, 2005**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,878,022
Investments	319,184
Due from collection agents	681,822
Receivables:	
Taxes - Net	891,949
Other	738,529
Due from other governments	1,807,707
Capital assets:	
Land	832,504
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	9,625,912
Infrastructure assets	105,557,799
Less accumulated depreciation	<u>(44,451,346)</u>
Total capital assets, net of depreciation	<u>90,245,375</u>
Total assets	<u>109,562,588</u>
<b>LIABILITIES</b>	
Accounts payable	947,361
Due to other governmental units	13,691,674
Accrued wages and benefits	125,385
Accrued interest payable	166,308
Other liabilities	228,532
Long-term liabilities:	
Due within one year	2,075,601
Due in more than one year	<u>11,025,353</u>
Total liabilities	<u>28,260,214</u>
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	77,534,421
Restricted for:	
Debt service	751,430
Capital outlay	1,953,161
Unrestricted	<u>1,063,362</u>
Total net assets	<u><u>\$ 81,302,374</u></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, 2005**

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services, fines and fees	Operating Grants and Contributions	and Contributions	Primary Government Activities
<b>PRIMARY GOVERNMENT</b>					
Governmental activities					
General government	\$ 7,584,052	\$ 1,187,017	\$ 347,067	\$ -	\$ (6,049,968)
Public safety	13,671,761	2,065,211	188,570	120,810	(11,297,170)
Public works	7,712,091	2,069,590	151,748	1,387,892	(4,102,861)
Health and welfare	234,221	-	-	-	(234,221)
Culture and recreation	790,758	-	-	-	(790,758)
Intergovernmental and private nonprofit	337,318	-	-	-	(337,318)
Economic development	2,006,977	-	-	1,576,165	(430,812)
Miscellaneous	548,263	76,832	-	-	(471,431)
Interest and fiscal charges	256,864	-	-	-	(256,864)
Total governmental activities	33,142,305	5,398,650	687,385	3,084,867	(23,971,403)
<b>GENERAL REVENUES</b>					
Property taxes levied for:					
General purposes					11,041,794
Special purpose					2,280,252
Debt service					1,541,105
Accommodations tax					139,393
Interest and investment income					43,686
Intergovernmental					3,683,655
Miscellaneous					263,656
Total general revenues					18,993,541
Change in net assets					(4,977,862)
Net assets beginning of year, as previously reported					85,830,435
Prior period adjustment					449,801
Net assets beginning of year, as restated					86,280,236
Net assets end of year					\$ 81,302,374

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

**LAURENS COUNTY, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2005**

	<u>General</u>	<u>Rural Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,986,513	\$ 5,946,372	\$ 2,945,137	\$ 14,878,022
Investments	319,184	-	-	319,184
Property taxes receivable - Net	565,651	182,306	143,992	891,949
Accounts receivable	738,529	-	-	738,529
Due from collection agents	681,822	-	-	681,822
Due from other governments	1,669,973	-	137,734	1,807,707
Due from other funds	6,608,434	-	-	6,608,434
	<u>16,570,106</u>	<u>6,128,678</u>	<u>3,226,863</u>	<u>25,925,647</u>
Total assets	<u>\$ 16,570,106</u>	<u>\$ 6,128,678</u>	<u>\$ 3,226,863</u>	<u>\$ 25,925,647</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 947,092	\$ 269	\$ -	\$ 947,361
Deferred revenue	515,948	182,306	116,851	815,105
Accrued wages and benefits	125,385	-	-	125,385
Due to other agencies	12,741	-	-	12,741
Due to other funds	-	5,811,494	796,940	6,608,434
Magistrate bond deposits	215,791	-	-	215,791
Due to other local governments	13,691,674	-	-	13,691,674
	<u>15,508,631</u>	<u>5,994,069</u>	<u>913,791</u>	<u>22,416,491</u>
Total liabilities	<u>15,508,631</u>	<u>5,994,069</u>	<u>913,791</u>	<u>22,416,491</u>
<b>FUND BALANCES</b>				
Reserved for:				
Debt service	-	-	751,430	751,430
Capital outlay	1,953,161	-	-	1,953,161
Unreserved:				
Undesignated reported in:				
General fund	(891,686)	-	-	(891,686)
Special revenue fund	-	134,609	1,561,642	1,696,251
	<u>1,061,475</u>	<u>134,609</u>	<u>2,313,072</u>	<u>3,509,156</u>
Total fund balances	<u>1,061,475</u>	<u>134,609</u>	<u>2,313,072</u>	<u>3,509,156</u>
	<u>\$ 16,570,106</u>	<u>\$ 6,128,678</u>	<u>\$ 3,226,863</u>	<u>\$ 25,925,647</u>
Total liabilities and fund balances	<u>\$ 16,570,106</u>	<u>\$ 6,128,678</u>	<u>\$ 3,226,863</u>	<u>\$ 25,925,647</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, 2005**

Total fund balances - Governmental funds	\$ 3,509,156
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	832,504
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	9,625,912
Infrastructure assets	105,557,799
Accumulated depreciation	<u>(44,451,346)</u>
Total capital assets	<u>90,245,375</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	815,105
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 and bond anticipation note	(7,936,067)
Special source revenue bond	(2,500,000)
Revenue notes payable	(1,056,444)
Capital leases payable	(1,218,443)
Accrued interest	(166,308)
Compensated absences	<u>(390,000)</u>
Total long-term liabilities	<u>(13,267,262)</u>
Net assets of governmental activities	<u><u>\$ 81,302,374</u></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, 2005**

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 10,847,035	\$ 1,880,796	\$ 1,940,561	\$ 14,668,392
Licenses and permits	453,139	-	-	453,139
Intergovernmental revenue	5,424,462	-	-	5,424,462
Charges for services	4,868,679	-	-	4,868,679
Interest and investment income	28,945	-	14,741	43,686
Miscellaneous revenue	1,960,020	-	551,326	2,511,346
Total revenues	<u>23,582,280</u>	<u>1,880,796</u>	<u>2,506,628</u>	<u>27,969,704</u>
<b>EXPENDITURES</b>				
General government	7,494,448	-	-	7,494,448
Public safety	9,995,794	1,216,727	1,346,716	12,559,237
Public works	4,929,040	-	-	4,929,040
Health and welfare	99,816	-	-	99,816
Culture and recreation	745,956	-	-	745,956
Intergovernmental and private non-profit	337,318	-	-	337,318
Economic development	2,006,977	-	-	2,006,977
Miscellaneous	548,263	-	-	548,263
Debt service:				
Principal retirement	-	88,139	1,296,178	1,384,317
Interest and fiscal charges	-	15,502	367,694	383,196
Total expenditures	<u>26,157,612</u>	<u>1,320,368</u>	<u>3,010,588</u>	<u>30,488,568</u>
Excess of revenues over (under) expenditures	<u>(2,575,332)</u>	<u>560,428</u>	<u>(503,960)</u>	<u>(2,518,864)</u>
Other financing sources (uses):				
Loan proceeds	2,500,000	-	-	2,500,000
Operating transfers in	-	-	698,316	698,316
Operating transfers out	-	(698,316)	-	(698,316)
Total other financing sources (uses)	<u>2,500,000</u>	<u>(698,316)</u>	<u>698,316</u>	<u>2,500,000</u>
Net change in fund balances	<u>(75,332)</u>	<u>(137,888)</u>	<u>194,356</u>	<u>(18,864)</u>
Fund balances, beginning of year, as originally reported	416,103	272,497	2,389,619	3,078,219
Prior period adjustment	720,704	-	(270,903)	449,801
Fund balances, beginning of year as restated	<u>1,136,807</u>	<u>272,497</u>	<u>2,118,716</u>	<u>3,528,020</u>
Fund balances, end of year	<u>\$ 1,061,475</u>	<u>\$ 134,609</u>	<u>\$ 2,313,072</u>	<u>\$ 3,509,156</u>

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, 2005*

Net change in fund balances - Total government funds	\$ (18,864)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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:</p>	
Capital outlay	1,481,892
Depreciation expense	<u>(4,480,180)</u>
Excess of depreciation expense over capital outlay	<u>(2,998,288)</u>
<p>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.</p>	
	<u>194,759</u>
<p>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:</p>	
Capital lease proceeds	(1,104,014)
Bond anticipation note	<u>(2,500,000)</u>
	<u>(3,604,014)</u>
<p>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:</p>	
Bond principal retirement	1,141,000
Revenue notes payable	243,317
Capital lease payments	<u>134,868</u>
Total long-term debt repayment	<u>1,519,185</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p>	
	<u>(65,103)</u>
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>	
	<u>(5,537)</u>
Change in net assets of government activities	<u>\$ (4,977,862)</u>

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

**LAURENS COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2005**

<b>ASSETS</b>	
Due from collection agent	\$ 1,259,002
Due from other funds	13,691,674
Property taxes receivable	<u>2,513,567</u>
Total assets	<u><u>\$ 17,464,243</u></u>

<b>LIABILITIES</b>	
Accounts payable	1,259,002
Deferred revenue	2,329,759
Due to other taxing districts and agencies	<u>13,875,482</u>
Total liabilities	<u><u>\$ 17,464,243</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 of the County. Component units are legally separate entities that meet any one of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County, or (3) the financial statements would be misleading if data from the entity were not included. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The County has no blended component units. The County does not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government.

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

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

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

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

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

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

**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.

(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.

**Agency funds**

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

**MEASUREMENT FOCUS**

**Government-wide financial statements**

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

**Fund financial statements**

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

Fiduciary funds are reported using the economic resources measurement focus.

(Continued)

## **BASIS OF ACCOUNTING**

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

### **Budgets and budgetary accounting**

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

### **Cash and investments**

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

- (1) Obligations of the United States and agencies thereof;
- (2) General obligations of the State of South Carolina or any of its political units;
- (3) Financial institutions to the extent that the same are insured by an agency of the federal government;
- (4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (5) Repurchase agreements when collateralized by securities as set forth in this section;
- (6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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

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

(Continued)

**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:

<b><u>Years of service</u></b>	<b><u>Annual leave accrual</u></b>
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**

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

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

(Continued)

**NOTE 3 - DEPOSITS AND INVESTMENTS, Continued**

At June 30, 2005, the carrying amount of the County deposits was \$8,530,773 and the bank balance was \$8,835,736. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Cash on hand at June 30, 2005 was \$436,557.

**Investments**

As of June 30, 2005, the County had the following investments:

<u>June 30, 2005</u>	<u>Fair Value</u>	<u>Maturities</u>
South Carolina local government investment pool	\$ 5,910,693	Various
U.S. Government Agency Obligations:		
Federal Home Loan Mortgage Corporation Bond	98,362	12/6/2005
Federal Home Loan Mortgage Corporation Bond	83,903	Various
Federal National Mortgage Association Bond	110,113	Various
Investment in Mutual Funds	<u>26,805</u>	Various
	<u>\$ 6,229,876</u>	

**Interest rate risk**

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

**Credit risk**

The County has no investment policy that would further limit its investment choices other than state law. As of June 30, 2005, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

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

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

**Concentration of credit risk**

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

**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, 2005, 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, 2005, was \$51,522 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2005.

Property tax receivables and allowances by major and other governmental funds as of June 30, 2005 were as follows:

	<u>General fund</u>	<u>Rural fire</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Property taxes receivable	\$ 577,195	\$ 186,026	\$ 146,931	\$ 910,152
Less: Allowance	<u>11,544</u>	<u>3,720</u>	<u>2,939</u>	<u>18,203</u>
Net	<u>\$ 565,651</u>	<u>\$ 182,306</u>	<u>\$ 143,992</u>	<u>\$ 891,949</u>

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, 2005 was as follows:

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 844,414	\$ -	\$ (11,910)	\$ 832,504
Construction in progress	<u>1,490,894</u>	<u>-</u>	<u>(1,490,894)</u>	<u>-</u>
Total capital assets at historical cost not being depreciated	<u>2,335,308</u>	<u>-</u>	<u>(1,502,804)</u>	<u>832,504</u>
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	7,607,091	2,138,821	(120,000)	9,625,912
Infrastructure	<u>104,711,924</u>	<u>845,875</u>	<u>-</u>	<u>105,557,799</u>
Total capital assets at historical cost being depreciated	<u>130,999,521</u>	<u>2,984,696</u>	<u>(120,000)</u>	<u>133,864,217</u>

(Continued)

**NOTE 5 - CAPITAL ASSETS, Continued**

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Less accumulated depreciation				
Buildings	(3,688,939)	(372,838)	-	(4,061,777)
Vehicles and equipment	(3,573,260)	(696,061)	115,400	(4,153,921)
Infrastructure	<u>(32,824,367)</u>	<u>(3,411,281)</u>	<u>-</u>	<u>(36,235,648)</u>
Total accumulated depreciation	<u>(40,086,566)</u>	<u>(4,480,180)</u>	<u>115,400</u>	<u>(44,451,346)</u>
Total capital assets at historical cost being depreciated, net	<u>90,912,955</u>	<u>(1,495,484)</u>	<u>(4,600)</u>	<u>89,412,871</u>
Governmental activities capital assets, net	<u>\$ 93,248,263</u>	<u>\$ (1,495,484)</u>	<u>\$ (1,507,404)</u>	<u>\$ 90,245,375</u>

Depreciation expense was charged to the following function:

General Government	\$ 89,604
Public Safety	582,423
Public Works	3,628,946
Health and Welfare	134,405
Culture and Recreation	<u>44,802</u>
Total governmental activities depreciation expense	<u>\$ 4,480,180</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.

Salaries - During the fiscal year ended June 30, 2005, salaries of \$7,446,532 were paid by the County. Of that amount, \$2,666,405 was covered under the SCPORS and \$4,780,127 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 at an actuarially determined rate of 10.3% of annual payroll plus an additional .2% of payroll to provide group life insurance.

(Continued)

**NOTE 6 - RETIREMENT PLANS, Continued**

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

<b>South Carolina Retirement System</b>				
<b>County year ended June 30,</b>	<b>Contribution amount</b>		<b>Contribution percentage</b>	
	<b>Employer</b>	<b>Employees</b>	<b>Employer</b>	<b>Employees</b>
2005	\$ 327,439	\$ 286,770	6.85%	6.0%
2004	335,942	294,255	6.85%	6.0%
2003	356,692	310,851	6.85%	6.0%

<b>South Carolina Police Officers Retirement System</b>				
<b>County year ended June 30,</b>	<b>Contribution amount</b>		<b>Contribution percentage</b>	
	<b>Employer</b>	<b>Employees</b>	<b>Employer</b>	<b>Employees</b>
2005	\$ 267,973	\$ 173,317	10.50%	6.5%
2004	264,316	163,624	10.50%	6.5%
2003	294,012	168,073	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.

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 - 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, 2005:

Machinery and equipment	\$ 1,879,218
Less: Accumulated depreciation	<u>135,873</u>
Carrying value	<u><u>\$ 1,743,345</u></u>

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

The following is a schedule of the future minimum lease payments under these leases, and the present value of the net minimum lease payments at June 30, 2005:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>	<u>Operating lease payments</u>
2006	\$ 370,171	\$ 47,440
2007	249,118	35,850
2008	201,291	1,080
2009	150,505	720
2010	150,506	-
2011	<u>249,857</u>	<u>-</u>
	1,371,448	85,090
Less: Amount representing interest	<u>153,005</u>	<u>-</u>
Present value of future minimum lease payments	<u><u>\$ 1,218,443</u></u>	<u><u>\$ 85,090</u></u>

**NOTE 10 - LONG-TERM DEBT**

**General obligation bonds**

The County's borrowing power is restricted by amended Article X, Section 14 of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have a total debt outstanding that exceeds 8% of its assessed property value. Based on the December 31, 2005 taxable assessed property valuation net of exemptions of \$145,662,987 (unaudited), the legal debt limit is \$11,653,039, leaving a legal debt margin as of June 30, 2005 of \$3,716,972.

General obligation bonds are payable from the debt service funds. General obligation (general purpose) bonds at June 30, 2005 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%	\$ 200,000
\$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%	1,725,000
\$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%	2,425,000
\$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%	661,990
\$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%	424,076

**BOND ANTICIPATION NOTE**

\$2,500,000, 2005 Bond Anticipation Note, principal and interest due July 2005 of \$2,530,766	<u>2,500,000</u>
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Total general obligation bonds and bond anticipation note **\$ 7,936,067**

The bond anticipation note of \$2,500,000 was issued on February 8, 2005 and was due July 2005. However, it is reflected in non current liabilities on the Statement of Net Assets. At the time the bond was due it was refinanced through the issuance of a \$4,050,000 General Obligation bond. The new bond is due in semi-annual installments through March 2024.

**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%	<b><u>\$ 2,500,000</u></b>
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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%	<b><u>\$ 1,056,444</u></b>
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Article X, Section 14, of the Constitution of the State of South Carolina, as amended, provides that indebtedness payable solely from a special source, which source does not involve revenues from any tax or license, may be issued by a county. State law empowers the one county to receive and retain revenues from a payment in lieu of taxes, to issue special source revenue bonds secured by and payable from all or a part of such revenues, for the purpose of defraying a portion of the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County in order to enhance the economic development of the County. At June 30, 2005 the County had authorized and issued special source revenue bonds.

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

(Continued)

**NOTE 10 - LONG-TERM DEBT, Continued**

The annual requirements to amortize all general obligation bonds and the bond anticipation note outstanding as of June 30, 2005 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
2006	\$ 1,129,086	\$ 275,936	\$ 1,405,022
2007	1,094,931	221,516	1,316,447
2008	915,349	186,005	1,101,354
2009	974,297	157,718	1,131,965
2010	511,547	127,689	639,236
2011 - 2015	1,705,968	428,531	2,134,499
2016 - 2020	762,346	253,003	1,015,349
2021 - 2024	842,593	71,692	914,285
	<u>\$ 7,936,067</u>	<u>\$ 1,722,090</u>	<u>\$ 9,658,157</u>

Available in the debt service fund is \$1,034,017 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2005 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
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	260,000	64,090	324,090
2011 - 2015	1,248,000	159,332	1,407,332
	<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, 2005 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total interest</u>	<u>Total requirement</u>
2006	\$ 251,826	\$ 60,239	\$ 312,065
2007	264,574	45,894	310,468
2008	170,133	30,782	200,915
2009	179,830	21,085	200,915
2010	190,081	10,835	200,916
	<u>\$ 1,056,444</u>	<u>\$ 168,835</u>	<u>\$ 1,225,279</u>

(Continued)

**NOTE 10 - LONG-TERM DEBT, Continued**

**Changes in long-term liabilities**

A summary of changes in long-term debt follows:

	Estimated long-term liability for annual leave	Lease obligations	Bonds		Revenue notes	Total
			Special source	General obligation		
Payable, July 1, 2004	\$ 324,897	\$ 249,297	\$ 2,500,000	\$ 6,577,067	\$ 1,299,760	\$ 10,951,021
Amounts incurred	197,760	1,104,014	-	2,500,000	-	3,801,774
Amounts retired	(132,657)	(134,868)	-	(1,141,000)	(243,317)	(1,651,842)
Payable, June 30, 2005	<u>\$ 390,000</u>	<u>\$ 1,218,443</u>	<u>\$ 2,500,000</u>	<u>\$ 7,936,067</u>	<u>\$ 1,056,443</u>	<u>\$ 13,100,953</u>
Amounts due within one year	<u>\$ 195,000</u>	<u>\$ 320,689</u>	<u>\$ 179,000</u>	<u>\$ 1,129,086</u>	<u>\$ 251,826</u>	<u>\$ 2,075,601</u>

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

Balances at June 30, 2005, were:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 6,608,434	\$ -
Special revenue fund		
Rural fire	-	5,811,494
Fire Coordinator	-	796,940
	<u>\$ 6,608,434</u>	<u>\$ 6,608,434</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, 2005 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Special Revenue Funds		
Rural Fire	\$ -	\$ 698,316
Gray Court	44,500	-
Cross Hill	62,450	-
Durbin Creek	38,450	-
Ekom	42,704	-
Green Pond	52,660	-
Hickory Tavern	65,200	-
Joanna	80,550	-
Mountville	16,400	-
Renno	25,075	-
Sandy Springs	41,468	-
Waterloo	47,835	-
Western Laurens	126,324	-
Young's	54,700	-
	<u>\$ 698,316</u>	<u>\$ 698,316</u>

(Continued)

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

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, 2005 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, 2005, the Health Care System's obligations on the two bonds the County guarantees totaled \$10,677,500. The County provides a subsidy of \$454,555 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.

(Continued)

**NOTE 15 - RISK MANAGEMENT, Continued**

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, 2005, \$19,086 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 - PRIOR PERIOD ADJUSTMENT**

During 2004, the County’s C fund bank account was not reflected on its financial statements. The error caused an understatement of cash and the related net assets/fund balance. As a result, beginning net assets and fund balance have been restated. The effect of this restatement increased beginning net assets and general fund balance by \$1,195,375. In addition, general fund other liabilities were understated by \$474,671. As a result, fines, fees, and charges for services revenues were overstated and other liabilities were understated. As a result, beginning net assets on the government wide financial statements and general fund balance on the fund financial statements have been decreased by \$474,671.

Also, in the prior year the health care bond fund was reported as a debt service fund instead of an agency fund. As a result, beginning net assets on the governmental wide financial statements and governmental fund balances on the fund financial statements have been decreased by \$270,903.

	<u>Financial Statements</u>	
	<u>Government wide</u>	<u>Governmental funds</u>
Net assets/Fund balance, June 30, 2004, as previously reported	\$ 85,830,435	\$ 416,103
Prior period adjustment		
C Funds	1,195,375	1,195,375
Other liabilities	<u>(745,574)</u>	<u>(745,574)</u>
	<u>449,801</u>	<u>449,801</u>
Net assets/General fund balance, June 30, 2004, restated	<u>\$ 86,280,236</u>	<u>\$ 3,528,020</u>

**NOTE 17 - SUBSEQUENT EVENTS**

On July 19, 2005, the County issued \$4,050,000 General Obligation Water and Sewer bond, Series 2005. Proceeds of \$2,530,766 were used in payment (principal and interest) of the \$2,500,000 bond anticipation note issued February 8, 2005.

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>TAXES</b>				
Property taxes and current penalties	\$ 8,354,086	\$ 8,354,086	\$ 8,212,911	\$ (141,175)
	<u>8,354,086</u>	<u>8,354,086</u>	<u>8,212,911</u>	<u>(141,175)</u>
<b>LICENSES AND PERMITS</b>				
Utility franchise fee	90,000	90,000	129,111	39,111
Building permits	250,000	250,000	235,923	(14,077)
Mobile home licenses	154,000	154,000	86,555	(67,445)
Septic tank fee	1,500	1,500	1,550	50
	<u>495,500</u>	<u>495,500</u>	<u>453,139</u>	<u>(42,361)</u>
<b>INTERGOVERNMENTAL REVENUE</b>				
Aid to subdivisions	3,179,283	3,179,283	3,132,329	(46,954)
Veterans Service Office	11,421	11,421	6,601	(4,820)
National Forest fund	60,000	60,000	62,408	2,408
Motor carrier fee	-	-	151,748	151,748
Department of Social Services	57,024	57,024	49,065	(7,959)
Dept. of Health and Environmental Control	-	-	30,066	30,066
Child support	-	-	115,444	115,444
Accommodations tax	30,000	30,000	139,393	109,393
State salary supplement	4,725	4,725	6,300	1,575
Laurens and Clinton PD for Comm	58,140	58,140	48,887	(9,253)
Laurens/Clinton PD - Vict. Ass't	53,830	53,830	25,504	(28,326)
Laurens/Clinton/Cross Hill Mag	30,000	30,000	24,550	(5,450)
Cooperative Capital Credit Distribution	-	-	545	545
Merchants' inventory exempt	49,176	49,176	49,176	-
One percent monies - Greenville	10,000	10,000	27,462	17,462
EMS grant	24,811	24,811	20,885	(3,926)
	<u>3,568,410</u>	<u>3,568,410</u>	<u>3,890,363</u>	<u>321,953</u>
<b>CHARGES FOR SERVICES</b>				
Clerk of Court fines and fees	600,000	600,000	520,801	(79,199)
Judge of Probate fees	125,000	125,000	108,078	(16,922)
Collection of city taxes	23,000	23,000	7,772	(15,228)
Treasurer's costs	100,000	100,000	94,670	(5,330)
Treasurer's other income	5,000	5,000	2,557	(2,443)
Sheriff fees	-	-	14,241	14,241
Cross Hill support/sheriff	22,533	22,533	17,123	(5,410)
Gray Court support/sheriff	45,066	45,066	34,245	(10,821)
Vital statistics	15,000	15,000	8,063	(6,937)
Clerk victim's assistance	40,207	40,207	77,163	36,956
Magistrate victim's assistance	73,417	73,417	71,503	(1,914)
Magistrate fines and fees	675,000	675,000	707,884	32,884
Vehicle road fee	440,000	440,000	452,616	12,616
E-911 cell phone fee	30,000	30,000	63,883	33,883
E-911 telephone fee	375,000	375,000	310,135	(64,865)
Emergency medical services fees	1,025,000	1,025,000	675,320	(349,680)
Residential landfill fees	1,717,893	1,717,893	1,613,348	(104,545)
Coroner fees	-	-	75	75
Road and bridge fees	-	-	3,626	3,626
School District 55 SRO Match	100,000	100,000	85,576	(14,424)
	<u>5,412,116</u>	<u>5,412,116</u>	<u>4,868,679</u>	<u>(543,437)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>MISCELLANEOUS REVENUE</b>				
Interest income	-	-	28,945	28,945
Building rental	949	949	827	(122)
Miscellaneous	-	-	30,498	30,498
Prior year refunds on E-911	74,881	74,881	-	(74,881)
Library	-	-	45,507	45,507
	<u>75,830</u>	<u>75,830</u>	<u>105,777</u>	<u>29,947</u>
<b>TOTAL BUDGETED REVENUES</b>	<b><u>\$ 17,905,942</u></b>	<b><u>\$ 17,905,942</u></b>	<b><u>\$ 17,530,869</u></b>	<b><u>\$ (375,073)</u></b>
<b>NON-BUDGETED REVENUES</b>				
State funds for road maintenance			1,387,892	
Local options sales tax collected			2,313,708	
State funds for Sterlite Project			1,168,165	
EMS 911 system reimbursement from state			120,810	
Sale of fixed assets			192,602	
Sheriff Fees - Clinton Support			14,438	
Fee in Lieu of Tax			65,528	
Property taxes for indigent care			157,253	
Property taxes for technical education			163,163	
Justice grant			25,397	
Local Enforcement Block Grant funds			28,909	
State funds for Owens Industrial Project			408,000	
Miscellaneous			<u>5,546</u>	
<b>TOTAL NON-BUDGETED REVENUES</b>			<u>6,051,411</u>	
<b>TOTAL REVENUES</b>			<b><u>\$ 23,582,280</u></b>	

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2005*

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>GENERAL GOVERNMENT</b>				
Administration	\$ 276,039	\$ 308,895	\$ 292,415	\$ 16,480
County Council	86,462	116,702	121,111	(4,409)
Judge of Probate	168,644	203,607	199,959	3,648
Registration	117,457	156,029	129,436	26,593
Capital Expenditures	100,500	100,500	72,207	28,293
Human Resources	76,209	90,134	76,023	14,111
Finance Department	132,897	150,047	147,515	2,532
Purchasing/Vehicle Maintenance	56,315	69,659	73,427	(3,768)
Non-Departmental	3,139,920	1,147,457	1,360,855	(213,398)
Auditor	289,520	315,975	308,297	7,678
Treasurer	231,694	285,853	275,120	10,733
Miscellaneous	70,585	70,585	66,913	3,672
Tax Assessor	352,519	425,555	405,730	19,825
Clerk of Court	475,334	560,817	532,574	28,243
Buildings and Grounds Maintenance	610,057	680,811	681,272	(461)
Airport	53,150	57,641	45,718	11,923
Contingency	107,877	107,877	36,031	71,846
Magistrates	322,645	415,673	403,526	12,147
	<u>6,667,824</u>	<u>5,263,817</u>	<u>5,228,129</u>	<u>35,688</u>
<b>PUBLIC SAFETY</b>				
Coroner	96,763	113,345	124,348	(11,003)
E-911	408,824	441,496	484,847	(43,351)
Emergency Preparedness	38,890	41,219	32,722	8,497
Emergency Operations	563,975	656,823	640,380	16,443
Emergency Medical Services	2,172,931	2,172,931	2,236,620	(63,689)
Victims' Assistance	167,454	167,454	152,171	15,283
Sheriff	2,125,048	2,704,502	2,989,143	(284,641)
Detention Center	1,492,694	1,850,477	2,233,957	(383,480)
Road/Bridges	670,965	781,588	729,633	51,955
Inspection/Permits	258,857	318,084	323,664	(5,580)
	<u>7,996,401</u>	<u>9,247,919</u>	<u>9,947,485</u>	<u>(699,566)</u>
<b>PUBLIC WORKS</b>				
Public Works	118,918	144,931	143,669	1,262
Solid Waste Management	1,717,893	1,717,893	1,695,656	22,237
	<u>1,836,811</u>	<u>1,862,824</u>	<u>1,839,325</u>	<u>23,499</u>
<b>HEALTH AND WELFARE</b>				
Veterans Affairs	56,740	71,490	74,506	(3,016)
Health Department	14,250	14,250	13,083	1,167
Social Services	13,600	13,600	12,227	1,373
	<u>84,590</u>	<u>99,340</u>	<u>99,816</u>	<u>(476)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>CULTURE AND RECREATION</b>				
Parks and Recreation	134,543	153,693	131,062	22,631
Library	<u>528,684</u>	<u>621,260</u>	<u>614,894</u>	<u>6,366</u>
	<u>663,227</u>	<u>774,953</u>	<u>745,956</u>	<u>28,997</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT</b>				
Local Government Assistance	308,209	308,209	308,242	(33)
Special Appropriations	20,045	20,045	20,045	-
Clemson Extension	<u>8,835</u>	<u>8,835</u>	<u>9,031</u>	<u>(196)</u>
	<u>337,089</u>	<u>337,089</u>	<u>337,318</u>	<u>(229)</u>
<b>TOTAL BUDGETED EXPENDITURES</b>	<u><b>\$ 17,585,942</b></u>	<u><b>\$ 17,585,942</b></u>	<u>18,198,029</u>	<u><b>\$ (612,087)</b></u>
<b>NON-BUDGETED EXPENDITURES</b>				
Local options sales tax distributed			2,266,319	
State for road maintenance			2,067,580	
Water and sewer line project			1,022,135	
Sterilite project			1,490,708	
Technical education			217,485	
Indigent care			116,329	
Taxiway project			97,803	
Palmetto trails grant			77,808	
Justice grant expense			48,309	
Homeland security grant			37,595	
State drug forfeitures			35,488	
Domestic violence grant			23,558	
Traffic safety grant			20,182	
Miscellaneous			10,532	
DARE program supplies			9,286	
Owens industrial park - Capital expenditures			413,366	
Avery denison project - Capital expenditures			<u>5,100</u>	
Total non-budgeted expenditures			<u>7,959,583</u>	
<b>TOTAL EXPENDITURES</b>			<u><b>\$ 26,157,612</b></u>	

**LAURENS COUNTY, SOUTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2005**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash with cash equivalents	\$ 2,202,823	\$ 742,314	\$ 2,945,137
Property taxes receivable	42,381	101,611	143,992
Due from other governments	<u>137,734</u>	<u>-</u>	<u>137,734</u>
Total assets	<u><b>\$ 2,382,938</b></u>	<u><b>\$ 843,925</b></u>	<u><b>\$ 3,226,863</b></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Due to other funds	\$ 796,940	\$ -	\$ 796,940
Deferred revenue	<u>24,356</u>	<u>92,495</u>	<u>116,851</u>
Total liabilities	<u>821,296</u>	<u>92,495</u>	<u>913,791</u>
<b>Fund balances</b>			
Reserved for:			
Debt service	-	751,430	751,430
Unreserved:			
Undesignated	<u>1,561,642</u>	<u>-</u>	<u>1,561,642</u>
Total fund balances	<u>1,561,642</u>	<u>751,430</u>	<u>2,313,072</u>
Total liabilities and fund balances	<u><b>\$ 2,382,938</b></u>	<u><b>\$ 843,925</b></u>	<u><b>\$ 3,226,863</b></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the year ended June 30, 2005*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 399,456	\$ 1,541,105	\$ 1,940,561
Interest	1,112	13,629	14,741
Miscellaneous	<u>551,326</u>	<u>-</u>	<u>551,326</u>
Total revenues	<u>951,894</u>	<u>1,554,734</u>	<u>2,506,628</u>
<b>EXPENDITURES</b>			
Public safety	1,346,716	-	1,346,716
Debt service			
Principal retirement	155,178	1,141,000	1,296,178
Interest and fiscal charges	<u>45,738</u>	<u>321,956</u>	<u>367,694</u>
Total expenditures	<u>1,547,632</u>	<u>1,462,956</u>	<u>3,010,588</u>
Excess of revenues over expenditures	<u>(595,738)</u>	<u>91,778</u>	<u>(503,960)</u>
Other financing sources (uses):			
Operating transfers in	<u>698,316</u>	<u>-</u>	<u>698,316</u>
Total other financing sources (uses)	<u>698,316</u>	<u>-</u>	<u>698,316</u>
 Net change in fund balances	 102,578	 91,778	 194,356
 Fund balances, beginning of the year	 1,459,064	 930,555	 2,389,619
Prior period adjustment	<u>-</u>	<u>(270,903)</u>	<u>(270,903)</u>
Fund balances, beginning of the year, as restated	<u>1,459,064</u>	<u>659,652</u>	<u>2,118,716</u>
 Fund balances, end of the year	 <u>\$ 1,561,642</u>	 <u>\$ 751,430</u>	 <u>\$ 2,313,072</u>

*LAURENS COUNTY, SOUTH CAROLINA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2005*

*ASSETS*

Cash and cash equivalents	\$ 5,986,513
Investments	319,184
Property taxes receivable - Net	565,651
Accounts receivable	738,529
Due from collection agents	681,822
Due from other funds	6,608,434
Due from other governments	<u>1,669,973</u>
 Total assets	 <u><u>\$ 16,570,106</u></u>

*LIABILITIES AND FUND BALANCES*

<i>Liabilities</i>	
Accounts payable	\$ 947,092
Deferred revenue	515,948
Retirement and insurance withheld and accrued	125,385
Due to other agencies	12,741
Magistrate bond deposits	215,791
Due to other local governments	<u>13,691,674</u>
 Total liabilities	 <u>15,508,631</u>
 <i>Fund balances</i>	
Reserved for capital expenditures	1,953,161
Unreserved	
Undesignated (deficit)	<u>(891,686)</u>
 Total fund balances	 <u>1,061,475</u>
 Total liabilities and fund balances	 <u><u>\$ 16,570,106</u></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
*For the year ended June 30, 2005*

<b>REVENUES</b>	\$ 23,582,280
<b>EXPENDITURES</b>	<u>26,157,612</u>
Excess (deficiency) of revenues over expenditures	(2,575,332)
<b>OTHER FINANCING SOURCES</b>	
Loan proceeds	<u>2,500,000</u>
Net change in fund balance	<u>(75,332)</u>
<b>FUND BALANCE, BEGINNING OF YEAR,</b>	
<b>AS ORIGINALLY REPORT</b>	416,103
Prior Period Adjustment	<u>720,704</u>
<b>FUND BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>1,136,807</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 1,061,475</u></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>GENERAL GOVERNMENT</b>				
Administration				
Salaries and wages	\$ 116,979	\$ 116,979	\$ 117,018	\$ (39)
Fringe benefits	-	32,856	32,856	-
Professional services	110,000	110,000	121,172	(11,172)
Computer maintenance	5,000	5,000	-	5,000
Vehicle maintenance	400	400	411	(11)
Telephone	5,500	5,500	4,069	1,431
Advertising notices	1,500	1,500	1,844	(344)
Memberships/dues	250	250	165	85
Travel/meetings	2,500	2,500	3,146	(646)
Computer supplies	4,080	4,080	2,023	2,057
Office supplies	4,080	4,080	1,819	2,261
Postage	4,750	4,750	1,646	3,104
Vehicle supplies	1,000	1,000	1,246	(246)
Matching grant	20,000	20,000	5,000	15,000
	<u>276,039</u>	<u>308,895</u>	<u>292,415</u>	<u>16,480</u>
County Council				
Salaries and wages	59,592	59,592	59,592	-
Fringe benefits	-	30,240	30,240	-
Cell phones/pagers	500	500	1,769	(1,269)
Travel/per diem	16,800	16,800	18,414	(1,614)
Travel/meetings	9,570	9,570	11,096	(1,526)
	<u>86,462</u>	<u>116,702</u>	<u>121,111</u>	<u>(4,409)</u>
Judge of Probate				
Salaries and wages	136,344	136,344	134,174	2,170
Fringe benefits	-	34,963	34,963	-
Court reporter fees	750	750	750	-
Transports/mental exams	250	250	214	36
Computer maintenance	4,000	4,000	3,731	269
Equipment maintenance	3,000	3,000	3,000	-
Telephone	4,400	4,400	4,274	126
Memberships/dues	200	200	200	-
Travel/per diem	2,400	2,400	2,400	-
Travel/meetings	2,250	2,250	2,136	114
Office supplies	6,000	6,000	6,119	(119)
Postage and postage meter	3,800	3,800	3,769	31
Copier	4,500	4,500	3,479	1,021
Court fees/jury trials	750	750	750	-
	<u>168,644</u>	<u>203,607</u>	<u>199,959</u>	<u>3,648</u>
Registration				
Salaries	81,348	81,348	69,768	11,580
Fringe benefits	-	38,572	38,572	-
Equipment maintenance	1,000	1,000	5,870	(4,870)
Telephone	6,000	6,000	7,625	(1,625)
Memberships/dues	500	500	220	280
Travel/per diem	2,550	2,550	3,535	(985)
Travel/meetings	2,500	2,500	2,719	(219)
Election supplies	6,437	6,437	2,045	4,392
Office supplies	2,800	2,800	1,612	1,188
Postage	4,500	4,500	3,538	962
Ballots, poll workers, legal ads	9,822	9,822	(6,068)	15,890
	<u>117,457</u>	<u>156,029</u>	<u>129,436</u>	<u>26,593</u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2005*

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Capital Expenditures				
Comm - Computer monitor replacement	12,500	12,500	12,355	145
Comm - Phase I & II wireless	24,000	24,000	24,000	-
Comm - Matching grant	9,500	9,500	9,972	(472)
Financial accounting system	36,000	36,000	25,880	10,120
Sheriff - N800 Pal Radio System	18,500	18,500	-	18,500
	<u>100,500</u>	<u>100,500</u>	<u>72,207</u>	<u>28,293</u>
Human Resources				
Salaries	62,629	62,629	48,648	13,981
Fringe benefits	-	13,925	13,925	-
Telephone	2,000	2,000	2,259	(259)
Advertising notices	5,000	5,000	8,313	(3,313)
Memberships/dues	300	300	112	188
Training	1,000	1,000	245	755
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	2,500	2,500	204	2,296
Office supplies	1,080	1,080	878	202
Postage	500	500	239	261
	<u>76,209</u>	<u>90,134</u>	<u>76,023</u>	<u>14,111</u>
Finance Department				
Salaries and wages	99,798	99,798	85,711	14,087
Fringe benefits	-	17,150	17,150	-
CSI maintenance contract	12,219	12,219	21,471	(9,252)
Telephone	2,200	2,200	2,153	47
Membership/dues	300	300	-	300
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	700	1,236	(536)
Office supplies	5,000	5,000	6,359	(1,359)
Postage	11,480	11,480	12,235	(755)
	<u>132,897</u>	<u>150,047</u>	<u>147,515</u>	<u>2,532</u>
Purchasing/Vehicle Maintenance				
Salaries and wages	37,710	37,710	37,710	-
Fringe benefits	-	13,344	13,344	-
Vehicle maintenance	900	900	1,208	(308)
Copying machine lease	13,000	13,000	15,919	(2,919)
Cell phone	500	500	536	(36)
Pager	155	155	114	41
Telephone	1,200	1,200	1,253	(53)
Advertising notices	750	750	825	(75)
Travel/meetings	400	400	400	-
Computer supplies	300	300	300	-
Office supplies	300	300	343	(43)
Postage	100	100	66	34
Vehicle supplies	1,000	1,000	1,409	(409)
	<u>56,315</u>	<u>69,659</u>	<u>73,427</u>	<u>(3,768)</u>
Non-Departmental				
Fringe benefits	2,826,988	834,525	1,045,179	(210,654)
Tort liability	122,452	122,452	126,550	(4,098)
Auto insurance	188,980	188,980	188,980	-
Audit/bank charges	1,500	1,500	146	1,354
	<u>3,139,920</u>	<u>1,147,457</u>	<u>1,360,855</u>	<u>(213,398)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Auditor				
Salaries and wages	107,145	107,145	108,961	(1,816)
Fringe benefits	-	26,455	26,455	-
Equipment maintenance	800	800	791	9
Smith data contracts	165,000	165,000	157,883	7,117
Telephone	5,500	5,500	5,017	483
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,500	1,500	1,119	381
Office supplies	3,000	3,000	2,984	16
Postage	875	875	866	9
Copier-auditor/treasury	4,500	4,500	3,021	1,479
	<u>289,520</u>	<u>315,975</u>	<u>308,297</u>	<u>7,678</u>
Treasurer				
Salaries and wages	159,874	159,874	151,314	8,560
Fringe benefits	-	54,159	54,159	-
Equipment maintenance	500	500	454	46
Telephone	5,000	5,000	3,585	1,415
Training	2,000	2,000	2,000	-
Travel/per diem	3,600	3,600	2,869	731
Office supplies	5,720	5,720	5,739	(19)
Postage	55,000	55,000	55,000	-
	<u>231,694</u>	<u>285,853</u>	<u>275,120</u>	<u>10,733</u>
Miscellaneous				
Public defender	28,500	28,500	28,500	-
Watershed maintenance	23,750	23,750	23,750	-
Soil conservation rent	1,200	1,200	1,000	200
Bonds on employees	4,985	4,985	4,809	176
Family court telephone	3,500	3,500	4,088	(588)
Circuit judge phone	3,000	3,000	2,866	134
Soil conservation	3,350	3,350	-	3,350
Delegation	1,900	1,900	1,900	-
Health district meetings	400	400	-	400
	<u>70,585</u>	<u>70,585</u>	<u>66,913</u>	<u>3,672</u>
Tax Assessor				
Salaries and wages	254,806	254,806	242,084	12,722
Fringe benefits	-	73,036	73,036	-
Equipment maintenance	3,500	3,500	2,087	1,413
Copy machine lease	2,500	2,500	4,056	(1,556)
Postage meter lease	3,251	3,251	3,192	59
Telephone	5,000	5,000	3,130	1,870
Training	7,000	7,000	7,062	(62)
Travel/per diem	28,800	28,800	26,850	1,950
Office supplies	1,500	1,500	(416)	1,916
Postage	1,200	1,200	887	313
Aerial photography	40,250	40,250	40,250	-
Computer replacement	4,712	4,712	3,512	1,200
	<u>352,519</u>	<u>425,555</u>	<u>405,730</u>	<u>19,825</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Clerk of Court				
Salaries and wages	283,234	283,234	281,875	1,359
Fringe benefits	-	85,483	85,483	-
Jurors expense	70,000	70,000	57,707	12,293
Equipment maintenance	63,000	63,000	60,469	2,531
Telephone	10,000	10,000	8,791	1,209
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,000	1,000	1,717	(717)
Department supplies	400	400	200	200
Office supplies	15,500	15,500	13,429	2,071
Postage	31,000	31,000	21,703	9,297
	<u>475,334</u>	<u>560,817</u>	<u>532,574</u>	<u>28,243</u>
Building and Grounds Maintenance				
Salaries	179,234	179,234	179,063	171
Fringe benefits	-	70,754	70,754	-
Building maintenance	82,000	82,000	81,533	467
Maintenance contracts	20,000	20,000	20,095	(95)
Building insurance	62,673	62,673	62,673	-
Telephone	650	650	1,116	(466)
Department supplies	200	200	151	49
Janitorial supplies	25,000	25,000	24,995	5
Landscape maintenance supplies	15,000	15,000	14,289	711
Postage	50	50	48	2
Vehicle supplies	7,000	7,000	6,955	45
Utilities	175,000	175,000	176,965	(1,965)
Utilities/H.H.S. building	42,500	42,500	42,051	449
Miscellaneous and flags	750	750	584	166
	<u>610,057</u>	<u>680,811</u>	<u>681,272</u>	<u>(461)</u>
Airport				
Salaries and wages	28,450	28,450	25,077	3,373
Overtime	-	-	532	(532)
Fringe benefits	-	4,491	4,491	-
Equipment maintenance	6,000	6,000	5,991	9
Tractor maintenance	1,000	1,000	959	41
Telephone	1,250	1,250	529	721
Travel/meetings	1,000	1,000	907	93
Building maintenance supplies	750	750	570	180
Postage	100	100	25	75
Tractor supplies	350	350	313	37
Utilities	6,750	6,750	6,324	426
Matching FFA funds	7,500	7,500	-	7,500
	<u>53,150</u>	<u>57,641</u>	<u>45,718</u>	<u>11,923</u>
Contingency				
Contingency	107,877	107,877	36,031	71,846
Magistrates				
Salaries and wages	265,740	265,740	254,170	11,570
Fringe benefits	-	93,028	93,028	-
Jurors	11,505	11,505	9,500	2,005
Equipment maintenance	17,000	17,000	20,179	(3,179)
Building rent	2,800	2,800	2,400	400

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>GENERAL GOVERNMENT, Continued</b>				
Magistrates, Continued				
Telephone	6,800	6,800	7,340	(540)
Memberships/dues	500	500	480	20
Travel/memberships	1,000	1,000	600	400
Travel/per diem	6,000	6,000	5,765	235
Travel/meetings	1,500	1,500	1,200	300
Office supplies	5,800	5,800	4,717	1,083
Postage	4,000	4,000	4,147	(147)
	<u>322,645</u>	<u>415,673</u>	<u>403,526</u>	<u>12,147</u>
Total general government	<u>\$ 6,667,824</u>	<u>\$ 5,263,817</u>	<u>\$ 5,228,129</u>	<u>\$ 35,688</u>
<b>PUBLIC SAFETY</b>				
Coroner				
Salaries and wages	35,338	35,338	38,057	(2,719)
Fringe benefits	-	16,582	16,582	-
Autopsies	41,850	41,850	57,590	(15,740)
Vehicle maintenance	2,500	2,500	1,228	1,272
Cell phone	1,200	1,200	1,143	57
Internet	250	250	-	250
Pagers	400	400	273	127
Telephone	3,800	3,800	2,367	1,433
Membership/dues	325	325	255	70
Training	2,000	2,000	1,661	339
Travel/per diem	2,400	2,400	-	2,400
Office supplies	3,000	3,000	2,408	592
Vehicle supplies	2,000	2,000	2,091	(91)
Equipment	1,700	1,700	693	1,007
	<u>96,763</u>	<u>113,345</u>	<u>124,348</u>	<u>(11,003)</u>
E-911				
Salaries and wages	127,774	127,774	116,965	10,809
Fringe benefits	-	32,672	32,672	-
Call check maintenance	3,000	3,000	4,136	(1,136)
Headset repair/replacement	1,200	1,200	1,200	-
Plotter maintenance	1,250	1,250	1,249	1
911 office voice mail	2,000	2,000	1,979	21
Recorder maintenance	12,000	12,000	35,269	(23,269)
Vehicle maintenance	1,800	1,800	1,964	(164)
Work station maintenance	19,000	19,000	20,374	(1,374)
Telephone	80,000	80,000	104,024	(24,024)
911 director telephone	2,400	2,400	3,182	(782)
E-911 public awareness	3,000	3,000	2,696	304
Training	2,500	2,500	2,749	(249)
Computer supplies	1,500	1,500	1,517	(17)
Copier supplies	2,000	2,000	1,982	18
Office supplies	1,000	1,000	881	119
Plotter paper supplies	1,000	1,000	812	188
Postage	600	600	523	77
Uninterrupted power supply	2,000	2,000	2,000	-
Vehicle supplies	2,000	2,000	2,852	(852)
CAD lease purchase	119,800	119,800	119,664	136
CAD annual maintenance	23,000	23,000	26,157	(3,157)
	<u>408,824</u>	<u>441,496</u>	<u>484,847</u>	<u>(43,351)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Emergency Preparedness				
Salaries and wages	16,765	16,765	742	16,023
Fringe benefits	-	2,329	2,329	-
Tornado siren	7,500	7,500	5,062	2,438
Rent/lease equipment	5,780	5,780	6,842	(1,062)
Telephone	2,300	2,300	2,106	194
Training	800	800	333	467
Travel	1,500	1,500	1,831	(331)
Office supplies	1,645	1,645	(483)	2,128
Postage	400	400	350	50
Uniforms	200	200	138	62
Machines/equipment	2,000	2,000	1,805	195
Grant expenditures	-	-	11,667	(11,667)
	<u>38,890</u>	<u>41,219</u>	<u>32,722</u>	<u>8,497</u>
Emergency Operations				
Salaries and wages	398,890	398,890	349,310	49,580
Overtime	47,000	47,000	69,494	(22,494)
Fringe benefits	-	92,848	92,848	-
COG mapping agreement	1,000	1,000	725	275
Charter records fiber network	6,000	6,000	5,969	31
DTN weather service	2,400	2,400	2,400	-
Service contract - Radio	30,000	30,000	34,654	(4,654)
Telephone maintenance	6,500	6,500	6,353	147
Vehicle maintenance	2,200	2,200	2,996	(796)
Pager	1,000	1,000	1,122	(122)
SLED NCIC terminal	7,500	7,500	7,915	(415)
Telephone	18,500	18,500	20,249	(1,749)
Emergency line	11,000	11,000	13,289	(2,289)
Printing and binding	750	750	178	572
Memberships/dues	400	400	350	50
Training	3,000	3,000	2,858	142
Travel/per diem	2,000	2,000	1,976	24
Computer supplies	1,200	1,200	1,177	23
Copier supplies	3,000	3,000	2,989	11
Office supplies	4,400	4,400	4,784	(384)
Postage	700	700	645	55
Road signs	9,785	9,785	9,949	(164)
Uniforms	750	750	756	(6)
Vehicle supplies	3,000	3,000	4,397	(1,397)
Copier lease	3,000	3,000	2,997	3
	<u>563,975</u>	<u>656,823</u>	<u>640,380</u>	<u>16,443</u>
Emergency Medical Services				
Salaries and wages	1,301,414	1,301,414	1,356,436	(55,022)
Fringe benefits	478,998	478,998	442,221	36,777
Insurance	5,000	5,000	-	5,000
Equipment and vehicle maintenance	90,800	90,800	96,952	(6,152)
Building maintenace	7,500	7,500	6,389	1,111
Telephone	24,850	24,850	24,127	723
Utilities	25,000	25,000	20,534	4,466
Training	15,000	15,000	15,227	(227)
Travel	1,597	1,597	380	1,217
Office supplies	8,000	8,000	5,696	2,304

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Emergency Medical Services, Continued				
Communication equipment	-	-	8,159	(8,159)
Professional development	-	-	6,635	(6,635)
Medical supplies	96,750	96,750	86,218	10,532
Vehicle supplies	68,250	68,250	119,702	(51,452)
Laundry and linen	1,000	1,000	181	819
Miscellaneous	-	-	459	(459)
Uniforms	20,325	20,325	19,357	968
Grant expenditures	22,947	22,947	23,636	(689)
Infection control	5,500	5,500	4,311	1,189
	<u>2,172,931</u>	<u>2,172,931</u>	<u>2,236,620</u>	<u>(63,689)</u>
Victims' Assistance				
Salaries and wages	73,362	73,362	73,487	(125)
Fringe benefits	24,342	24,342	23,071	1,271
Professional services	20,000	20,000	9,853	10,147
Computer system maintenance	5,000	5,000	5,588	(588)
Vehicle maintenance	1,200	1,200	2,289	(1,089)
Telephone	4,000	4,000	5,226	(1,226)
Printing and binding	1,500	1,500	1,541	(41)
Dues	250	250	50	200
Training	3,000	3,000	1,386	1,614
Copier supplies	600	600	118	482
Office supplies	1,500	1,500	1,338	162
Postage	1,000	1,000	260	740
Vehicle supplies	2,000	2,000	3,226	(1,226)
Travel	700	700	83	617
Vehicle	23,000	23,000	22,343	657
Contingency	6,000	6,000	2,312	3,688
	<u>167,454</u>	<u>167,454</u>	<u>152,171</u>	<u>15,283</u>
Sheriff				
Salaries and wages	1,576,848	1,576,848	1,506,943	69,905
Overtime	100,000	100,000	127,353	(27,353)
Holiday work pay	25,000	25,000	21,862	3,138
Fringe benefits	-	579,454	579,454	-
Professional services	1,500	1,500	2,373	(873)
Transports/mental exams	1,500	1,500	600	900
Towing/storage seized vehicles	1,200	1,200	2,440	(1,240)
Computer maintenance	14,000	14,000	11,940	2,060
Sex offender computer maintenance	5,000	5,000	2,768	2,232
Vehicle maintenance	95,000	95,000	212,437	(117,437)
Telephone	44,000	44,000	91,222	(47,222)
Training	8,000	8,000	5,110	2,890
Travel/meetings	8,500	8,500	5,172	3,328
Dept. supplies	24,500	24,500	27,580	(3,080)
K-Nine maintenance supplies	4,500	4,500	3,522	978
Office supplies	14,500	14,500	24,958	(10,458)
Postage	3,000	3,000	7,675	(4,675)
Reserve deputy supplies	10,000	10,000	1,634	8,366
Uniforms	38,500	38,500	60,251	(21,751)
Vehicle supplies	145,000	145,000	274,859	(129,859)
Child support enforcement	-	-	5,614	(5,614)
Crime prevention program	1,000	1,000	1,360	(360)

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Sheriff, Continued				
Drug fund/stolen property	1,000	1,000	6,585	(5,585)
DARE Program	2,500	2,500	5,431	(2,931)
	<u>2,125,048</u>	<u>2,704,502</u>	<u>2,989,143</u>	<u>(284,641)</u>
Detention Center				
Salaries and wages	802,694	802,694	830,785	(28,091)
Overtime	103,000	103,000	141,119	(38,119)
Fringe benefits	-	357,783	357,783	-
Physician and medical supplies	188,000	188,000	321,412	(133,412)
Systems maintenance	35,000	35,000	57,237	(22,237)
Telephone	12,000	12,000	15,208	(3,208)
Juvenile incarceration	3,000	3,000	24,400	(21,400)
Training	3,500	3,500	3,801	(301)
Department supplies	43,000	43,000	39,811	3,189
Laundry and linen	2,500	2,500	2,111	389
Janitorial supplies	15,000	15,000	25,331	(10,331)
Office supplies	10,000	10,000	13,635	(3,635)
Utilities	70,000	70,000	119,606	(49,606)
Food/provisions	205,000	205,000	281,718	(76,718)
	<u>1,492,694</u>	<u>1,850,477</u>	<u>2,233,957</u>	<u>(383,480)</u>
Road/Bridges				
Salaries and wages	314,480	314,480	301,037	13,443
Fringe benefits	-	110,623	110,623	-
Professional services	500	500	148	352
Vehicle maintenance	41,500	41,500	39,906	1,594
Telephone	1,200	1,200	1,080	120
Training	400	400	-	400
Bridge maintenance supplies	41,000	41,000	21,861	19,139
Dept supplies	173,000	173,000	164,452	8,548
Office supplies	500	500	480	20
Pipe	18,600	18,600	13,984	4,616
Postage	85	85	74	11
Road signs	10,000	10,000	8,648	1,352
Vehicle supplies	65,000	65,000	62,474	2,526
Utilities	4,700	4,700	4,866	(166)
	<u>670,965</u>	<u>781,588</u>	<u>729,633</u>	<u>51,955</u>
Inspections/Permits				
Salaries	198,557	198,557	200,852	(2,295)
Fringe benefits	-	59,227	59,227	-
Professional services	5,000	5,000	2,210	2,790
Vehicle maintenance	3,000	3,000	3,527	(527)
Copy machine lease	2,500	2,500	4,100	(1,600)
Postage machine lease	2,000	2,000	1,909	91
Telephone	8,000	8,000	8,785	(785)
Training/uniforms	10,000	10,000	9,287	713
Travel/per diem	4,000	4,000	3,522	478
Computer supplies	5,800	5,800	5,184	616
Office supplies	10,000	10,000	11,165	(1,165)
Vehicle supplies	10,000	10,000	13,896	(3,896)
	<u>258,857</u>	<u>318,084</u>	<u>323,664</u>	<u>(5,580)</u>
Total public safety	<u>\$ 7,996,401</u>	<u>\$ 9,247,919</u>	<u>\$ 9,947,485</u>	<u>\$ (699,566)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>PUBLIC WORKS</b>				
Public Works				
Salaries and wages	98,738	98,738	98,066	672
Fringe benefits	-	26,013	26,013	-
Vehicle maintenance	400	400	103	297
Telephone	2,100	2,100	2,064	36
Memberships/dues	290	290	118	172
Training	240	240	410	(170)
Travel/meetings	700	700	697	3
Office supplies	1,000	1,000	975	25
Postage	550	550	315	235
Uniforms	14,000	14,000	13,880	120
Vehicle supplies	900	900	1,028	(128)
	<u>118,918</u>	<u>144,931</u>	<u>143,669</u>	<u>1,262</u>
Solid Waste Management				
Salaries and wages	555,041	555,041	509,046	45,995
Fringe benefits	169,629	169,629	147,648	21,981
Professional services	1,900	1,900	1,537	363
Tire disposal fees	17,000	17,000	16,994	6
Well monitor	17,800	17,800	17,800	-
Public service supervision	4,250	4,250	3,715	535
Equipment maintenance	108,000	108,000	107,564	436
Telephone	1,500	1,500	1,556	(56)
Utilities	5,000	5,000	4,999	1
Transfer station fees	610,000	610,000	663,490	(53,490)
Equipment supplies	108,000	108,000	107,616	384
Landfill supplies	56,500	56,500	56,748	(248)
Miscellaneous	1,800	1,800	1,512	288
Contingency	61,473	61,473	55,431	6,042
	<u>1,717,893</u>	<u>1,717,893</u>	<u>1,695,656</u>	<u>22,237</u>
Total public works	<u>\$ 1,836,811</u>	<u>\$ 1,862,824</u>	<u>\$ 1,839,325</u>	<u>\$ 23,499</u>
<b>HEALTH AND WELFARE</b>				
Veterans Affairs				
Salaries and wages	50,565	50,565	49,536	1,029
Fringe benefits	-	14,750	14,750	-
Equipment maintenance	500	500	500	-
Vehicle maintenance	500	500	2,388	(1,888)
Telephone	1,600	1,600	2,623	(1,023)
Travel/meetings	1,500	1,500	1,535	(35)
Office supplies	475	475	746	(271)
Postage	400	400	447	(47)
Vehicle supplies	1,200	1,200	1,981	(781)
	<u>56,740</u>	<u>71,490</u>	<u>74,506</u>	<u>(3,016)</u>
Health Department				
Telephone	14,000	14,000	13,025	975
Emergency contingency	250	250	58	192
	<u>14,250</u>	<u>14,250</u>	<u>13,083</u>	<u>1,167</u>
Social Services				
Telephone	13,600	13,600	12,227	1,373
Total health and welfare	<u>\$ 84,590</u>	<u>\$ 99,340</u>	<u>\$ 99,816</u>	<u>\$ (476)</u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2005*

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
<b>CULTURE AND RECREATION</b>				
Parks and Recreation				
Salaries and wages	57,043	57,043	50,655	6,388
Fringe benefits	-	19,150	19,150	-
Professional services	1,200	1,200	468	732
Equipment maintenance	2,000	2,000	1,468	532
Grounds maintenance	14,000	14,000	15,652	(1,652)
Vehicle maintenance	2,200	2,200	772	1,428
Laurens YMCA	6,000	6,000	4,880	1,120
Training/membership dues	200	200	-	200
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	700	681	19
Department supplies	2,000	2,000	1,678	322
Vehicle supplies	2,000	2,000	3,747	(1,747)
Utilities	13,000	13,000	10,956	2,044
Community projects	33,000	33,000	19,755	13,245
	<u>134,543</u>	<u>153,693</u>	<u>131,062</u>	<u>22,631</u>
Library				
Salaries	377,682	377,682	367,827	9,855
Fringe benefits	-	92,576	92,576	-
Professional services	4,200	4,200	4,200	-
Bookmobile maintenance	1,500	1,500	6,865	(5,365)
Computer maintenance	20,000	20,000	20,000	-
Equipment maintenance	7,800	7,800	7,767	33
Telephone	4,500	4,500	4,558	(58)
Travel/meetings	3,500	3,500	3,690	(190)
Bookmobile supplies	2,000	2,000	2,752	(752)
Department supplies	58,802	58,802	58,812	(10)
Office supplies	6,200	6,200	6,278	(78)
Postage	2,500	2,500	2,450	50
Utilities	40,000	40,000	37,119	2,881
	<u>528,684</u>	<u>621,260</u>	<u>614,894</u>	<u>6,366</u>
Total recreation	<u>\$ 663,227</u>	<u>\$ 774,953</u>	<u>\$ 745,956</u>	<u>\$ 28,997</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT</b>				
Local Government Assistance				
Solicitor's office	133,000	133,000	133,000	-
Economic development/Chamber of Commerce	86,000	86,000	86,000	-
National Association of Counties	1,175	1,175	1,208	(33)
S.C. Association of Counties	13,894	13,894	13,894	-
Upper Savannah C.O.G.	49,356	49,356	49,356	-
Upstate Alliance	24,784	24,784	24,784	-
	<u>308,209</u>	<u>308,209</u>	<u>308,242</u>	<u>(33)</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>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT, Continued</b>				
Clemson Extension				
Beautification project	850	850	879	(29)
Office supplies	2,685	2,685	2,680	5
Utilities	<u>5,300</u>	<u>5,300</u>	<u>5,472</u>	<u>(172)</u>
	<u>8,835</u>	<u>8,835</u>	<u>9,031</u>	<u>(196)</u>
Total intergovernmental and private non-profit	<u>\$ 337,089</u>	<u>\$ 337,089</u>	<u>337,318</u>	<u>\$ (229)</u>
<b>TOTAL BUDGETED         EXPENDITURES</b>	<u>\$ 17,585,942</u>	<u>\$ 17,585,942</u>	<u>18,198,029</u>	<u>\$ (612,087)</u>
<b>NON-BUDGETED EXPENDITURES</b>				
Local options sales tax distributed			2,266,319	
State for road maintenance			2,067,580	
Water and sewer line project			1,022,135	
Sterilite project			1,490,708	
Technical education			217,485	
Indigent care			116,329	
Taxiway project			97,803	
Palmetto trails grant			77,808	
Justice grant expense			48,309	
Homeland security grant			37,595	
State drug forfeitures			35,488	
Domestic violence grant			23,558	
Traffic safety grant			20,182	
Miscellaneous			10,532	
DARE program supplies			9,286	
Owens industrial park - Capital expenditures			413,366	
Avery denison project - Capital expenditures			<u>5,100</u>	
Total non-budgeted expenditures			<u>7,959,583</u>	
<b>TOTAL EXPENDITURES</b>			<u>\$ 26,157,612</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, 2005*

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 1,880,796	\$ 2,109,650	\$ (228,854)
Total revenues	<u>1,880,796</u>	<u>2,109,650</u>	<u>(228,854)</u>
<b>EXPENDITURES</b>			
Salaries and wages	247,289	267,110	19,821
Fringe benefits	101,402	129,783	28,381
Postage	43	150	107
Uniforms	2,777	3,500	723
Books and publications	217	150	(67)
Dues and subscriptions	220	360	140
Travel and meetings	298	700	402
Utilities	10,854	13,500	2,646
Insurance	180,505	175,000	(5,505)
Telephone	3,543	3,780	237
Maintenance contract	240	275	35
Building repairs	21,715	23,000	1,285
Vehicle repairs	14,450	15,000	550
Vehicle supplies	11,060	7,500	(3,560)
Equipment repairs	1,604	2,500	896
First responder supplies	-	250	250
Cleaning supplies	15	750	735
Training	765	500	(265)
Other	3,280	15,000	11,720
Capital outlay	146,680	151,359	4,679
Office supplies	983	1,000	17
Debt service			
Principal retirement	88,139	88,139	-
Interest	15,502	15,502	-
Fire contracts	431,969	431,969	-
Contingency	36,818	61,557	24,739
Total expenditures	<u>1,320,368</u>	<u>1,408,334</u>	<u>87,966</u>
Excess (deficiency) of revenues over expenditures	<u>560,428</u>	<u>701,316</u>	<u>(140,888)</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	(698,316)	(701,316)	3,000
Total other financing uses	<u>(698,316)</u>	<u>(701,316)</u>	<u>3,000</u>
Net change in fund balance	(137,888)	-	(137,888)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>272,497</u>	<u>272,497</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 134,609</u>	<u>\$ 272,497</u>	<u>\$ (137,888)</u>

**LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
For the year ended June 30, 2005**

		Laurens County											
	Community Development	Fire Coordinator	Fire Department Debt Service	Gray Court	Cross Hill	Durbín Creek	Ekóm	Greenpond					
<b>ASSETS</b>													
Cash held by County Government	\$ -	\$ 1,270,028	\$ 85,248	\$ -	\$ -	\$ -	\$ -	\$ -					
Cash held at fire departments	-	-	-	41,832	140,988	97,243	63,483	44,326					
Taxes receivable - Net	-	24,972	17,409	-	-	-	-	-					
Due from other governments	-	137,734	-	-	-	-	-	-					
	<u>\$ -</u>	<u>\$ 1,432,734</u>	<u>\$ 102,657</u>	<u>\$ 41,832</u>	<u>\$ 140,988</u>	<u>\$ 97,243</u>	<u>\$ 63,483</u>	<u>\$ 44,326</u>					
Total assets													
<b>LIABILITIES AND FUND BALANCES</b>													
<b>Liabilities</b>													
Due to other funds	\$ -	\$ 796,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Deferred revenue	-	7,962	16,394	-	-	-	-	-					
Total liabilities	-	804,902	16,394	-	-	-	-	-					
<b>Fund balances</b>													
Unreserved													
Undesignated		627,832	86,263	41,832	140,988	97,243	63,483	44,326					
Total fund balances	-	627,832	86,263	41,832	140,988	97,243	63,483	44,326					
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,432,734</u>	<u>\$ 102,657</u>	<u>\$ 41,832</u>	<u>\$ 140,988</u>	<u>\$ 97,243</u>	<u>\$ 63,483</u>	<u>\$ 44,326</u>					

LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

For the year ended June 30, 2005

	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
<b>ASSETS</b>									
Cash held by County Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,355,276
Cash held at fire departments	80,923	44,967	58,841	37,069	24,671	92,917	94,309	25,978	847,547
Taxes receivable - Net	-	-	-	-	-	-	-	-	42,381
Due from other governments	-	-	-	-	-	-	-	-	137,734
Total assets	<u>\$ 80,923</u>	<u>\$ 44,967</u>	<u>\$ 58,841</u>	<u>\$ 37,069</u>	<u>\$ 24,671</u>	<u>\$ 92,917</u>	<u>\$ 94,309</u>	<u>\$ 25,978</u>	<u>\$ 2,382,938</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 796,940
Deferred revenue	-	-	-	-	-	-	-	-	24,356
Total liabilities	-	-	-	-	-	-	-	-	821,296
Fund balances									
Unreserved									
Undesignated	80,923	44,967	58,841	37,069	24,671	92,917	94,309	25,978	1,561,642
Total fund balances	<u>80,923</u>	<u>44,967</u>	<u>58,841</u>	<u>37,069</u>	<u>24,671</u>	<u>92,917</u>	<u>94,309</u>	<u>25,978</u>	<u>1,561,642</u>
Total liabilities and fund balances	<u>\$ 80,923</u>	<u>\$ 44,967</u>	<u>\$ 58,841</u>	<u>\$ 37,069</u>	<u>\$ 24,671</u>	<u>\$ 92,917</u>	<u>\$ 94,309</u>	<u>\$ 25,978</u>	<u>\$ 2,382,938</u>

**LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the year ended June 30, 2005**

	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Etowah	Greenpond	Hickory Tavern	Joanna	Mountville
<b>REVENUES</b>										
Property taxes	\$ 259,853	\$ 136,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,446	\$ -
Federal and state	-	-	-	9,869	3,174	1,429	1,161	3,950	-	9,294
Fundraising income	-	-	-	5	-	41	-	6	7	36
Interest	-	-	651	83,737	63,638	283	265	5,541	127,383	-
Other income	139,242	-	-	-	-	-	-	-	-	-
	<u>399,095</u>	<u>136,157</u>	<u>651</u>	<u>93,611</u>	<u>66,812</u>	<u>1,753</u>	<u>1,426</u>	<u>9,497</u>	<u>130,836</u>	<u>9,330</u>
<b>EXPENDITURES</b>										
Total revenues										
Salaries and wages	71,693	-	-	-	-	-	-	-	-	-
Fringe benefits	14,487	-	-	-	-	-	-	-	-	-
Advertising/printing/supplies	-	-	-	185	180	211	-	81	388	195
Postage	1,155	-	-	73	37	90	37	74	150	36
Books and publications	812	-	-	345	507	-	-	-	-	793
Dues and subscriptions	1,530	-	450	298	675	500	412	850	875	25
Travel and meetings	3,858	-	-	519	-	350	250	742	-	45
Fuel and oil	-	-	3,708	1,589	1,260	1,400	1,776	2,696	3,848	446
Utilities	-	-	8,144	5,936	2,580	4,115	2,419	6,564	9,704	2,188
Telephone	5,170	-	6,975	1,729	2,010	722	1,112	1,308	3,731	938
General Supplies	-	-	610	-	-	-	-	-	-	-
Maintenance contract	-	-	-	2,433	-	-	85	-	-	598
Building repairs	-	-	2,702	292	2,662	233	13,544	-	749	693
Vehicle repairs	3,752	-	-	1,362	1,452	1,643	2,751	1,851	10,557	720
Vehicle supplies	10,457	-	3,299	-	-	-	-	-	-	-
Equipment repairs	(12,402)	-	-	-	1,137	42	1,759	490	1,039	40
1st responder supplies	-	-	-	-	432	62	316	52	-	-
Cleaning supplies	-	-	-	-	137	-	77	77	-	-
Physician and medical supplies	9,314	-	-	-	-	-	-	-	-	-
Fire prevention supplies	3,967	-	-	-	-	-	-	-	-	-
Training	8,078	-	696	475	644	47	200	726	80	-
Rent expense	3,223	-	-	-	3,308	-	-	-	-	-
Bank charges	4,605	-	-	-	492	-	-	69	27	-
Professional services	6,401	-	-	1,225	-	-	-	-	-	-
Other	-	-	11,728	828	2,773	985	356	1,993	1,882	86
Capital outlay	7,809	-	66,541	164,880	25,760	15,251	25,519	23,983	70,715	28,062
Office supplies	2,803	-	1,349	426	-	-	12	1,043	-	153
Fundraising expense	-	-	-	9,351	3,614	699	2,657	1,380	-	12,174
Grant expense	-	-	-	-	-	-	22,448	-	108,865	-
Fire fighting supplies	-	-	-	3,994	-	112	-	627	1,125	-
Dive supplies	-	-	-	233	-	-	-	-	-	-

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the year ended June 30, 2005**

	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Etowah	Greenpond	Hickory Tavern	Joanna	Mountville
<b>EXPENDITURES, Continued</b>										
Contingency	7,280	-	5,958	-	-	-	-	-	-	-
Debt service	-	155,178	-	-	-	-	-	-	-	-
Principal	-	45,738	-	-	-	-	-	-	-	-
Interest	153,992	200,916	112,160	196,173	49,660	26,462	75,730	44,606	213,735	47,192
Total expenditures	245,103	(64,759)	(111,509)	(102,562)	17,152	(24,709)	(74,304)	(35,109)	(82,899)	(37,862)
Excess (deficiency) of revenues over expenditures	-	-	44,500	62,450	38,450	42,704	52,660	65,200	80,550	16,400
<b>OTHER FINANCING SOURCES</b>										
Operating transfers in	-	-	44,500	62,450	38,450	42,704	52,660	65,200	80,550	16,400
Total other financing sources (uses)	-	-	44,500	62,450	38,450	42,704	52,660	65,200	80,550	16,400
Net change in fund balance	245,103	(64,759)	(67,009)	(40,112)	55,602	17,995	(21,644)	30,091	(2,349)	(21,462)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	382,729	151,022	108,841	181,100	41,641	45,488	65,970	50,832	47,316	80,303
<b>FUND BALANCES, END OF YEAR</b>	\$ 627,832	\$ 86,263	\$ 41,832	\$ 140,988	\$ 97,243	\$ 63,483	\$ 44,326	\$ 80,923	\$ 44,967	\$ 58,841

**LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the year ended June 30, 2005**

	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Community Development	Total
<b>REVENUES</b>							
Property taxes	-	-	-	-	-	-	\$ 399,456
Federal and state	-	-	-	-	-	-	-
Fundraising income	1,217	-	-	-	-	-	30,094
Interest	-	14	737	240	26	-	1,112
Other income	2,916	2,335	15,385	79,636	220	-	521,232
	<u>4,133</u>	<u>2,349</u>	<u>16,122</u>	<u>79,876</u>	<u>246</u>	-	<u>951,894</u>
<b>EXPENDITURES</b>							
Salaries and wages	-	-	-	-	-	-	71,693
Fringe benefits	-	-	-	-	-	-	14,487
Advertising/printing/supplies	831	1,365	175	31	496	-	4,138
Postage	-	179	172	67	37	-	2,107
Books and publications	-	-	-	98	133	-	2,688
Dues and subscriptions	450	325	105	25	1,727	-	8,247
Travel and meetings	-	554	314	302	191	-	7,125
Fuel and oil	3,235	2,580	4,648	2,731	2,450	-	32,367
Utilities	3,761	4,161	4,025	3,277	3,483	-	60,357
Telephone	973	2,155	2,974	752	1,882	-	32,431
General Supplies	-	-	-	-	-	-	610
Maintenance contract	-	856	180	-	-	-	4,152
Building repairs	808	1,287	3,896	132	3,114	-	30,112
Vehicle repairs	1,372	4,855	3,329	3,717	5,592	-	42,953
Vehicle supplies	-	-	-	-	-	-	13,756
Equipment repairs	336	229	1,287	1,355	1,016	-	(3,672)
1st responder supplies	932	438	422	1,028	218	-	3,838
Cleaning supplies	283	24	485	236	188	-	1,569
Physician and medical supplies	-	-	-	-	-	-	9,314
Fire prevention supplies	-	-	-	-	-	-	3,967
Training	-	-	699	2,125	245	-	14,015
Rent expense	-	-	-	-	-	-	6,531
Bank charges	-	97	-	-	-	-	5,290
Professional services	-	-	-	-	-	-	7,626
Other	2,077	490	20,243	500	5	-	43,946
Capital outlay	10,287	16,091	32,419	181,588	51,351	11,409	731,665
Office supplies	-	324	1,201	-	199	-	7,510
Fundraising expense	1,177	-	-	-	-	-	31,052
Grant expense	-	-	2,575	-	-	-	133,888
Fire fighting supplies	1,297	856	1,472	-	-	-	9,483
Dive supplies	-	-	-	-	-	-	233

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the year ended June 30, 2005**

	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Community Development	Total
<b>EXPENDITURES, Continued</b>							
Contingency	-	-	-	-	-	-	13,238
Debt service	-	-	-	-	-	-	155,178
Principal	-	-	-	-	-	-	45,738
Interest	-	-	-	-	-	-	
Total expenditures	27,819	36,866	80,621	197,964	72,327	11,409	1,547,632
Excess (deficiency) of revenues over expenditures	(23,686)	(34,517)	(64,499)	(118,088)	(72,081)	(11,409)	(595,738)
<b>OTHER FINANCING SOURCES</b>							
Operating transfers in	25,075	41,468	47,835	126,324	54,700	-	698,316
Total other financing sources (uses)	25,075	41,468	47,835	126,324	54,700	-	698,316
Net change in fund balance	1,389	6,951	(16,664)	8,236	(17,381)	(11,409)	102,578
<b>FUND BALANCES, BEGINNING OF YEAR</b>	35,680	17,720	109,581	86,073	43,359	11,409	1,459,064
<b>FUND BALANCES, END OF YEAR</b>	\$ 37,069	\$ 24,671	\$ 92,917	\$ 94,309	\$ 25,978	\$ -	\$ 1,561,642

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR DEBT SERVICE FUND**  
**BALANCE SHEET**  
*June 30, 2005*

	<u>General Obligation bond</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 742,314
Property taxes receivable	<u>101,611</u>
Total assets	<u><u>\$ 843,925</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Deferred revenue	\$ <u>92,495</u>
Total liabilities	<u>92,495</u>
 Fund balances	
Reserved for:	
Debt service	<u>751,430</u>
Total fund balances	<u>751,430</u>
Total liabilities and fund balances	<u><u>\$ 843,925</u></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
*For the year ended June 30, 2005*

	<b>General Obligation bond</b>
<b>REVENUES</b>	
Property taxes	\$ 1,541,105
Interest	13,629
Total revenues	1,554,734
 <b>EXPENDITURES</b>	
Debt service	
Principal retirement	1,141,000
Interest and fiscal charges	321,956
Total expenditures	1,462,956
Net change in fund balances	91,778
Fund balances, beginning of the year	659,652
Fund balances, end of the year	<b>\$ 751,430</b>

**LAURENS COUNTY, SOUTH CAROLINA**  
**FINES AND ASSESSMENTS**  
*For the year ended June 30, 2005*

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines Collected	\$ 370,070	\$ 420,750	\$ -
Assessments from general sessions	54,106	523,239	-
Surcharges collected	<u>33,481</u>	<u>268,698</u>	<u>-</u>
Total fines, assessments, and surcharges collected	<u>\$ 457,657</u>	<u>\$ 1,212,687</u>	<u>\$ -</u>
Fines retained by County Treasurer	-	420,750	-
Assessments retained by County Treasurer	6,188	58,196	-
Surcharges retained by County Treasurer	<u>19,946</u>	<u>31,014</u>	<u>-</u>
Total fines, assessments, and surcharges retained by County Treasurer	<u>\$ 26,134</u>	<u>\$ 509,960</u>	<u>\$ -</u>
Fines remitted to State Treasurer	370,070	-	-
Assessments remitted to State Treasurer	47,918	465,043	-
Surcharges remitted to State Treasurer	<u>13,535</u>	<u>237,684</u>	<u>-</u>
Total fines, assessments, and surcharges remitted to State Treasurer	<u>\$ 431,523</u>	<u>\$ 702,727</u>	<u>\$ -</u>



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS 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, 2005, and have issued our report thereon dated November 23, 2005. 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Responses as Items 2005-1 through 2005-4. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

## 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 or other matters 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.

November 23, 2005

ELLIOTT DAVIS, LLC

**LAURENS COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the year ended June 30, 2005*

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Laurens County, South Carolina.
2. Four 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.

**B. FINDING - FINANCIAL STATEMENTS AUDIT**

Item 2005-1: Accounting Personnel

Finding

The finance and accounting department does not employ enough personnel to produce accurate internal financial reports on a timely basis. As a result, significant adjustments were required after year end in order to prepare the general ledger to be audited.

Recommendation

The County should adopt an ongoing commitment to employ additional personnel and develop their capabilities to perform accounting and bookkeeping functions.

Item 2005-2: Reconciling General Ledger Accounts

Finding

We found that several of the County's general ledger accounts, including significant accrued liabilities, are not being reconciled or analyzed on a regular basis due to short staffing issues. At year-end, these accounts required additional analysis and significant adjustments to correctly state the year-end balances.

Recommendation

We recommend specific Finance Department and Treasurer's office personnel be assigned to reconcile all general ledger accounts in each fund on a monthly or quarterly basis and be held accountable for performing these procedures.

Item 2005-3: Fund Balance General Ledger Accounts

Finding

Several beginning fund balances per the general ledger for the General fund and Special Revenue funds did not agree to ending fund balances per the June 30, 2004 audited financial statements. Adjustments were made during the year for current activity directly into fund balance accounts in error. Due to the staffing shortages, these accounts were not addressed internally prior to year end. At year-end, various fund balance accounts required additional analysis and significant adjustments to current year fund activity.

Recommendation

We recommend that all fund balance accounts be reviewed monthly for accuracy and corrected immediately upon identification of errors.

**B. FINDING - FINANCIAL STATEMENTS AUDIT, Continued**

Item 2005-4: "C" Funds

Finding

"C" Fund monies are currently kept and managed in a separate bank account held by the Committee. Currently, these funds are only being recorded by the County when received from the Committee.

Recommendation

We recommend the cash account be reviewed on a monthly basis by the Treasurer and that monies be included in the cash balance (restricted) of the County and recorded as revenue when actually received from the State of South Carolina.

**LAURENS COUNTY, SOUTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the year ended June 30, 2005*

NONE