

**LAURENS COUNTY,
SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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, 2006 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, 2006, 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, 2006, 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 June 30, 2006 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Laurens County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 10, 2006

Ernst 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, 2006. 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, 2006 by \$78.6 million (net assets). Of this amount \$1.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County issued \$1.6 million of the remaining portion of bond anticipation notes during the year to finance a water and sewer project.
- The County repaid \$1.8 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was decreased \$291 thousand.
- The general fund actual revenues were \$196 thousand less than budgeted and general fund expenditures were \$460 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)	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	

GOVERNMENT-WIDE STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The County has two kinds of funds:

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's combined net assets decreased 2.7 million or 3.4% between fiscal years 2005 and 2006. (See Table A-1.)

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

	<u>Governmental Activities</u>		<u>Total Percentage Change</u>
	<u>2005</u>	<u>2006</u>	<u>2005-2006</u>
Current and other	\$ 19,317	\$ 22,507	16.5%
Capital assets	<u>90,245</u>	<u>87,534</u>	(3.0)%
Total assets	<u>109,562</u>	<u>110,041</u>	.4%
Long-term debt	12,710	12,458	(2.0)%
Other liabilities	<u>15,550</u>	<u>18,988</u>	22.1%
Total liabilities	<u>28,260</u>	<u>31,446</u>	11.3%
Net assets			
Invested in capital assets, net of related debt	77,534	75,880	(2.1)%
Restricted	751	943	25.6%
Unrestricted	<u>3,017</u>	<u>1,759</u>	(41.7)%
Total net assets	<u>\$ 81,302</u>	<u>\$ 78,582</u>	(3.4)%

Net unrestricted assets of our governmental activities decreased \$1.3 million. Governmental expenses exceeded revenues by \$2.7 million. Capital assets of \$1.1 million were acquired while depreciation expense on existing capital assets totaled \$3.8 million.

Changes in net assets. The County's total revenues increased by 2.0 percent to \$28.7 million. (See Table A-2.) 57 percent of the County's revenue comes from property taxes. Approximately 22 percent comes from fees charged for services, fines and fees and 20 percent is from state and federal aid.

The total cost of all programs and services decreased approximately \$1.7 million or (5.1) percent. The County's expenses cover a range of services, with about 36 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 2.0 percent, while total expenses decreased 5.1 percent.

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

	Governmental Activities		Total Percentage Change
	<u>2005</u>	<u>2006</u>	<u>2005-2006</u>
Revenues			
Program revenues			
Charges for services and fees and fines	\$ 5,399	\$ 6,327	17.2%
Operating grants and contributions	687	739	7.6%
Capital grants and contributions	3,085	1,411	(54.3)%
General revenues			
Property taxes	14,863	16,318	9.8%
Other taxes	139	79	(43.2)%
Intergovernmental	3,684	3,654	(0.1)%
Other	<u>307</u>	<u>206</u>	(33.2)%
Total revenues	<u>28,164</u>	<u>28,734</u>	2.0%
Expenses			
General government	7,584	9,329	21.6%
Public safety	13,672	11,276	(19.3)%
Public works	7,712	8,463	9.7%
Health and welfare	234	175	(25.2)%
Culture and recreation	791	694	(12.3)%
Intergovernmental and private nonprofit	337	399	18.4%
Miscellaneous	2,420	393	(86.4)%
Interest and fiscal charges	<u>392</u>	<u>712</u>	97.7%
Total expenses	<u>33,142</u>	<u>31,441</u>	(5.1)%
Increase (decrease) in net assets	<u>\$ (4,978)</u>	<u>\$ (2,707)</u>	45.6%

Total revenues were \$570 thousand greater than the prior year. Property taxes collected were \$1.5 million greater than the prior year. Charges for services and fines and fees were \$928 thousand greater than the prior year. In addition, intergovernmental revenues were \$167 thousand less than the prior year. In addition, expenses were \$1.7 million less than the prior year. The decrease in expenses were directly related to prior year economic development projects for Sterilite of \$1.5 million and Owens Industrial Park of \$413 thousand spent in the prior year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$3.3 million which is flat as compared to the prior year.

General Fund Budgetary Highlights

Actual general fund expenditures were \$460 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 \$196 thousand less than the budgeted amount. This is primarily related to emergency medical service fees collected of \$847 thousand compared to budgeted fees of \$1.3 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the County had invested \$87.5 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 \$977 thousand. However, after depreciation capital assets decreased \$2.7 million or 3.0 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
	2005	2006	2005-2006
Land	\$ 832	\$ 832	-
Construction in progress	-	492	100%
Buildings and improvements	18,680	18,680	-
Furniture, fixtures and equipment	9,626	9,651	.3%
Infrastructure	105,558	106,028	.4%
Accumulated depreciation	<u>(44,451)</u>	<u>(48,149)</u>	8.3%
	<u>\$ 90,245</u>	<u>\$ 87,534</u>	(3.0)%

This year's major capital asset additions included:

- \$470 thousand in infrastructure improvements.
- \$156 thousand in equipment additions.
- \$492 thousand in construction in progress

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 \$12.5 million in bonds and capital lease obligations outstanding - a decrease of 2 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 below this limit.

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

	Governmental Activities		Total Percentage Change
	<u>2005</u>	<u>2006</u>	<u>2005-2006</u>
General obligation bonds	\$ 7,936	\$ 8,357	5.3%
Revenue bonds	1,056	805	(23.8)%
Special source bonds	2,500	2,321	(7.2)%
Capital lease obligations	<u>1,218</u>	<u>975</u>	(20.0)%
Total	<u>\$ 12,710</u>	<u>\$ 12,458</u>	(2.0)%

This year's major outstanding debt changes included:

- \$1.6 million bond anticipation note proceeds.
- \$1.8 million in bond, note and lease repayments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 6.8 percent versus 6.5 percent a year ago. This compares unfavorably with the state's rate of 6.6 percent and the national rate of 4.4 percent.

These indicators were taken into account when adopting the general fund budget for 2007. The general fund budget for 2007 is \$17,354,048, an increase of 17.3 percent over the final budget of \$14,798,752. This is due to capital purchases, the minimal cost of living raise and the continual rise of the cost of gasoline.

The County employees received a 3% cost of living increase effective July 1, 2007 and the County was able to continue its longevity pay for those employees with tenure with the County (varies 3-6% based upon service with the County). The only capital expenditures approved in the fiscal year 2007 capital budget was \$365,600. The County has added no major new programs or initiatives to the 2007 budget.

With the approval of the 2007 budget the County will eliminate the prior year deficient. The 2007 budget was prepared with the initiative of adequately funding departments which in recent years have completed the fiscal year with a deficit. Laurens County is committed to building a solid financial structure for future growth of County Services provided to its Citizens.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

**LAURENS COUNTY,
SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2006**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 18,192,281
Investments	321,309
Due from collection agents	598,494
Receivables:	
Taxes - Net	954,661
Other	545,080
Due from other governments	1,895,363
Capital assets:	
Land	832,504
Construction in progress	492,438
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	9,651,351
Infrastructure assets	106,027,724
Less accumulated depreciation	<u>(48,150,124)</u>
Total capital assets, net of depreciation	<u>87,534,399</u>
Total assets	<u>110,041,587</u>
 LIABILITIES	
Accounts payable	1,139,752
Due to other governmental units	16,842,213
Accrued wages and benefits	380,205
Accrued interest payable	249,326
Long-term liabilities:	
Due within one year	2,137,808
Due in more than one year	<u>10,696,780</u>
Total liabilities	<u>31,446,084</u>
 NET ASSETS	
Invested in capital assets net of related debt	75,880,466
Restricted for:	
Debt service	942,684
Unrestricted	<u>1,759,353</u>
Total net assets	<u>\$ 78,582,503</u>

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

Exhibit 2

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

	Program Revenues		Charges for		Capital Grants and Contributions	Governmental Activities
	Expenses	Operating Grants and Contributions	services, fines and fees	Primary Government		
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 9,328,525	\$ 357,368	\$ 1,400,119		\$ 21,415	\$ (7,549,623)
Public safety	11,275,973	349,465	2,200,752		-	(8,725,756)
Public works	8,463,046	32,665	2,313,334		1,389,928	(4,727,119)
Health and welfare	175,237	-	-		-	(175,237)
Culture and recreation	694,267	-	-		-	(694,267)
Intergovernmental and private nonprofit	399,385	-	-		-	(399,385)
Miscellaneous	392,768	-	412,763		-	19,995
Interest and fiscal charges	712,224	-	-		-	(712,224)
Total governmental activities	31,441,425	739,498	6,326,968		1,411,343	(22,963,616)

GENERAL REVENUES

Property taxes levied for:	
General purposes	12,006,488
Special purpose	2,262,094
Debt service	2,050,328
Accommodations tax	79,979
Interest and investment income	102,198
Intergovernmental	3,654,188
Miscellaneous	101,520
Total general revenues	20,256,745
Change in net assets	(2,706,871)
Net assets beginning of year	81,302,374
Net assets end of year	\$ 78,595,503

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

LAURENS COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General</u>	<u>Rural Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 7,997,755	\$ 5,916,404	\$ 4,278,122	\$ 18,192,281
Investments	321,309	-	-	321,309
Property taxes receivable - Net	620,728	187,912	146,021	954,661
Accounts receivable	545,080	-	-	545,080
Due from collection agents	598,494	-	-	598,494
Due from other governments	1,882,065	-	13,298	1,895,363
Due from other funds	<u>7,756,573</u>	<u>-</u>	<u>-</u>	<u>7,756,573</u>
 Total assets	 <u>\$ 19,722,004</u>	 <u>\$ 6,104,316</u>	 <u>\$ 4,437,441</u>	 <u>\$ 30,263,761</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,139,752	\$ -	\$ -	\$ 1,139,752
Deferred revenue	589,116	177,854	139,173	906,143
Accrued wages and benefits	380,205	-	-	380,205
Due to other funds	-	5,975,499	1,781,074	7,756,573
Due to other local governments	<u>16,842,213</u>	<u>-</u>	<u>-</u>	<u>16,842,213</u>
 Total liabilities	 <u>18,951,286</u>	 <u>6,153,353</u>	 <u>1,920,247</u>	 <u>27,024,886</u>
FUND BALANCES				
Reserved for:				
Debt service	-	-	942,684	942,684
Capital outlay	1,614,652	-	-	1,614,652
Unreserved:				
Undesignated reported in:				
General fund (deficit)	(843,934)	-	-	(843,934)
Special revenue fund (deficit)	<u>-</u>	<u>(49,037)</u>	<u>1,574,510</u>	<u>1,525,473</u>
Total fund balances	<u>770,718</u>	<u>(49,037)</u>	<u>2,517,194</u>	<u>3,238,875</u>
 Total liabilities and fund balances	 <u>\$ 19,722,004</u>	 <u>\$ 6,104,316</u>	 <u>\$ 4,437,441</u>	 <u>\$ 30,263,761</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, 2006

Total fund balances - Governmental funds	\$ 3,238,875
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	832,504
Construction in progress	492,438
Buildings and improvements	18,680,506
Furniture, fixtures, and equipment	9,651,351
Infrastructure assets	106,027,724
Accumulated depreciation	<u>(48,150,124)</u>
Total capital assets	<u>87,534,399</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	906,143
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	(8,356,995)
Special source revenue bond	(2,321,000)
Revenue notes payable	(804,617)
Capital leases payable	(975,938)
Accrued interest	(249,326)
Compensated absences	<u>(376,038)</u>
Total long-term liabilities	<u>(13,083,914)</u>
Net assets of governmental activities	<u>\$ 78,595,503</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, 2006

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 11,915,450	\$ 1,830,510	\$ 2,481,911	\$ 16,227,871
Licenses and permits	445,523	-	-	445,523
Intergovernmental revenue	5,766,647	-	-	5,766,647
Charges for services	5,468,684	-	-	5,468,684
Interest and investment income	73,267	-	28,931	102,198
Miscellaneous revenue	255,180	-	377,414	632,594
Total revenues	<u>23,924,751</u>	<u>1,830,510</u>	<u>2,888,256</u>	<u>28,643,517</u>
EXPENDITURES				
General government	9,758,418	-	-	9,758,418
Public safety	9,075,221	1,277,963	1,231,224	11,584,408
Public works	5,381,675	-	-	5,381,675
Health and welfare	88,274	-	-	88,274
Culture and recreation	669,764	-	-	669,764
Intergovernmental and private non-profit	399,385	-	-	399,385
Economic development	-	-	-	-
Miscellaneous	392,771	-	-	392,771
Debt service:				
Principal retirement	-	93,029	1,466,869	1,559,898
Interest and fiscal charges	-	10,611	618,594	629,205
Total expenditures	<u>25,765,508</u>	<u>1,381,603</u>	<u>3,316,687</u>	<u>30,463,798</u>
Excess of revenues over (under) expenditures	<u>(1,840,757)</u>	<u>448,907</u>	<u>(428,431)</u>	<u>(1,820,281)</u>
Other financing sources (uses):				
General obligation bonds issued	1,550,000	-	-	1,550,000
Operating transfers in	-	-	632,553	632,553
Operating transfers out	-	(632,553)	-	(632,553)
Total other financing sources (uses)	<u>1,550,000</u>	<u>(632,553)</u>	<u>632,553</u>	<u>1,550,000</u>
Net change in fund balances	<u>(290,757)</u>	<u>(183,646)</u>	<u>204,122</u>	<u>(270,281)</u>
Fund balances, beginning of year	<u>1,061,475</u>	<u>134,609</u>	<u>2,313,072</u>	<u>3,509,156</u>
Fund balances (deficit), end of year	<u>\$ 770,718</u>	<u>\$ (49,037)</u>	<u>\$ 2,517,194</u>	<u>\$ 3,238,875</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, 2006

Net change in fund balances - Total government funds	\$ (270,281)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	1,117,877
Depreciation expense	<u>(3,825,360)</u>
Excess of depreciation expense over capital outlay	<u>(2,707,483)</u>
The cost of the capital assets is removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a loss on disposal of capital assets on the statement of activities. Loss on disposal of capital outlay.	
	(3,493)
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 increased by this amount this year.	
	<u>91,038</u>
Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:	
Bond anticipation note, gross	<u>(1,550,000)</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Bond principal retirement	1,129,072
Special source principal retirement	179,000
Revenue notes payable	251,826
Capital lease payments	<u>242,507</u>
Total long-term debt repayment	<u>1,802,405</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
	<u>13,962</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
	<u>(83,019)</u>
Change in net assets of government activities	<u>\$ (2,706,871)</u>

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

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2006

ASSETS	
Due from collection agent	\$ 862,111
Due from other funds	16,842,213
Property taxes receivable	<u>2,634,347</u>
Total assets	<u>\$ 20,338,671</u>

LIABILITIES	
Accounts payable	862,111
Deferred revenue	2,525,354
Due to other taxing districts and agencies	<u>16,951,206</u>
Total liabilities	<u>\$ 20,338,671</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)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-wide financial statements

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

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

Fund financial statements

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

Special revenue funds

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

Debt service fund

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

Agency funds

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

MEASUREMENT FOCUS

Government-wide financial statements

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

Fund financial statements

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

Fiduciary funds are reported using the economic resources measurement focus.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

BASIS OF ACCOUNTING

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

Budgets and budgetary accounting

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

Cash and investments

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Short-term interfund receivables/payables

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

Capital assets

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

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

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

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

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

Compensated absences

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

Net assets

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

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

Revenues - exchange and non-exchange transactions

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred revenue

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

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

Interfund transactions

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

All other interfund transfers are reported as operating transfers.

Use of estimates

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

NOTE 2 - BUDGETARY ACCOUNTING AND REPORTING

Budgetary policies

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

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

Deficit fund equity

As of June 30, 2006, the rural fire special revenue fund had a deficit fund balance of \$49,037. This deficit will be made up from future property tax revenues.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

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

At June 30, 2006, the carrying amount of the County deposits was \$14,173,099 and the bank balance was \$13,857,519. 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, 2006 was \$118,587.

Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment maturities (in years)</u>			<u>No Maturity</u>
		<u>Less than 1</u>	<u>1 - 5</u>	<u>5 - 10</u>	
U S Government Agency Obligations	\$ 294,127	\$ 139,825	\$ -	\$ 154,302	\$ -
Investment in mutual fund	<u>27,182</u>	-	-	-	<u>27,182</u>
Total Investments	321,309	139,825	-	154,302	27,182
South Carolina local government investment pool	<u>3,900,595</u>	-	-	-	<u>3,900,595</u>
	<u>\$ 4,221,904</u>	<u>\$ 139,825</u>	<u>\$ -</u>	<u>\$ 154,302</u>	<u>\$ 3,927,777</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, 2006, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

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

The County's investments in U.S. Government Agency Obligations 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, 2006, were levied on the assessed value as of December 31, 2004). 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, 2006, was \$34,168 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2006.

Property tax receivables and allowances by major and other governmental funds as of June 30, 2006 were as follows:

	<u>General fund</u>	<u>Rural fire</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Property taxes receivable	\$ 633,143	\$ 191,670	\$ 148,941	\$ 973,754
Less: Allowance	<u>12,415</u>	<u>3,758</u>	<u>2,920</u>	<u>19,093</u>
Net	<u>\$ 620,728</u>	<u>\$ 187,912</u>	<u>\$ 146,021</u>	<u>\$ 954,661</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, 2006 was as follows:

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 832,504	\$ -	\$ -	\$ 832,504
Construction in progress	-	492,438	-	492,438
Total capital assets at historical cost not being depreciated	<u>832,504</u>	<u>492,438</u>	<u>-</u>	<u>1,324,942</u>
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	9,625,912	155,514	(130,075)	9,651,351
Infrastructure	<u>105,557,799</u>	<u>469,925</u>	<u>-</u>	<u>106,027,724</u>
Total capital assets at historical cost being depreciated	<u>133,864,217</u>	<u>625,439</u>	<u>(130,075)</u>	<u>134,359,581</u>

(Continued)

NOTE 5 - CAPITAL ASSETS, Continued

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Less accumulated depreciation				
Buildings	(4,061,777)	(372,838)	-	(4,434,615)
Vehicles and equipment	(4,153,921)	(15,551)	126,582	(4,042,890)
Infrastructure	<u>(36,235,648)</u>	<u>(3,436,971)</u>	<u>-</u>	<u>(39,672,619)</u>
Total accumulated depreciation	<u>(44,451,346)</u>	<u>(3,825,360)</u>	<u>126,582</u>	<u>(48,150,124)</u>
Total capital assets at historical cost being depreciated, net	<u>89,412,871</u>	<u>(3,199,921)</u>	<u>(3,493)</u>	<u>86,209,457</u>
Governmental activities capital assets, net	<u>\$ 90,245,375</u>	<u>\$ (2,707,483)</u>	<u>\$ (3,493)</u>	<u>\$ 87,534,399</u>

Depreciation expense was charged to the following function:

General Government	\$ 76,507
Public Safety	497,297
Public Works	3,098,542
Health and Welfare	114,761
Culture and Recreation	<u>38,253</u>
Total governmental activities depreciation expense	<u>\$ 3,825,360</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, 2006, salaries of \$8,881,797 were paid by the County. Of that amount, \$3,346,076 was covered under the SCPORS and \$5,535,721 was covered under the SCRS.

Funding Policy - South Carolina Retirement System (SCRS) Plan members are required to contribute 6.25% of their annual covered salary for the year ended June 30, 2006 (6.0% for the years ended June 30, 2005 and 2004) and the County contributes at an actuarially determined rate of 7.55% of annual payroll for the year ended June 30, 2006 (6.7% for the years ended June 30, 2005 and 2004). 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 preceding years were equal to the required contribution for each year and are as follows:

South Carolina Retirement System				
County year ended June 30,	Contribution amount		Contribution percentage	
	Employer	Employees	Employer	Employees
2006	\$ 430,043	\$ 345,047	7.55%	6.25%
2005	327,439	286,770	6.85%	6.0%
2004	335,942	294,255	6.85%	6.0%

South Carolina Police Officers Retirement System				
County year ended June 30,	Contribution amount		Contribution percentage	
	Employer	Employees	Employer	Employees
2006	\$ 358,199	\$ 216,604	10.5%	6.5%
2005	267,973	173,317	10.5%	6.5%
2004	264,316	163,624	10.5%	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. Effective July 1, 2006, TERI participants who entered the program after July 1, 2005 have to contribute to SCRS as long as they are covered under the TERI program.

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 Plan is funded on a pay-as-you-go-basis.

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, 2006:

Machinery and equipment	\$ 1,879,498
Less: Accumulated depreciation	<u>304,978</u>
Carrying value	<u>\$ 1,574,520</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, 2006:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>	<u>Operating lease payments</u>
2007	\$ 290,020	\$ 47,440
2008	238,573	35,850
2009	150,505	1,080
2010	150,506	720
2011	249,857	-
2012	-	-
	<u>1,079,461</u>	<u>85,090</u>
Less: Amount representing interest	<u>103,523</u>	<u>-</u>
Present value of future minimum lease payments	<u>\$ 975,938</u>	<u>\$ 85,090</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, 2006 taxable assessed property valuation net of exemptions of \$144,319,238 (unaudited), the legal debt limit is \$11,545,539, leaving a legal debt margin as of June 30, 2006 of \$3,188,545.

General obligation bonds are payable from the debt service funds. General obligation (general purpose) bonds at June 30, 2006 are comprised of the following individual issues:

GENERAL OBLIGATION BONDS

\$4,300,000, 1994 General Obligation Bonds, due in annual installments of \$350,000 to \$475,000 through April 1, 2009, interest at 5.65 to 6.00%	\$ 1,350,000
\$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%.	2,175,000
\$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%	565,727
\$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%	216,268
\$4,050,000, 2005 General Obligation Bond, due in annual installments of \$125,000 to \$375,000 through March 5, 2024	<u>4,050,000</u>
Total general obligation bonds	<u>\$ 8,356,995</u>

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

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% \$ 2,321,000

REVENUE NOTES PAYABLE

Various notes payable due in annual installments of \$180,216 to \$264,574 through June, 2010, interest at 5.55% to 8.99% \$ 804,617

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, 2006 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.

The annual requirements to amortize all general obligation bonds and the bond anticipation note outstanding as of June 30, 2006 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total requirement</u>
2007	\$ 1,142,771	\$ 284,157	\$ 1,426,928
2008	967,017	246,407	1,213,424
2009	1,027,826	215,752	1,243,578
2010	568,953	183,226	752,179
2011	610,428	164,367	774,795
2012 - 2016	1,650,000	601,931	2,251,931
2017 - 2021	1,340,000	358,363	1,698,363
2022 - 2025	<u>1,050,000</u>	<u>66,931</u>	<u>1,116,931</u>
	<u>\$ 8,356,995</u>	<u>\$ 2,121,134</u>	<u>\$ 10,478,129</u>

Available in the debt service fund is \$942,684 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2006 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total requirement</u>
2007	\$ 276,000	\$ 98,643	\$ 374,643
2008	271,000	86,913	357,913
2009	266,000	75,395	341,395
2010	260,000	64,090	324,090
2011	254,000	53,040	307,040
2012 - 2016	<u>994,000</u>	<u>106,292</u>	<u>1,100,292</u>
	<u>\$ 2,321,000</u>	<u>\$ 484,373</u>	<u>\$ 2,805,373</u>

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

The annual requirements to amortize all revenue notes payable outstanding as of June 30, 2006 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total requirement</u>
2007	\$ 264,571	\$ 45,894	\$ 310,465
2008	170,134	30,782	200,916
2009	179,831	21,085	200,916
2010	190,081	10,835	200,916
2011	-	-	-
	<u>\$ 804,617</u>	<u>\$ 108,596</u>	<u>\$ 913,213</u>

Changes in long-term liabilities

A summary of changes in long-term debt follows:

	Estimated long-term liability for annual leave	Lease obligations	Bonds		Revenue notes	Total
			Special source	General obligation		
Payable, July 1, 2005	\$ 390,000	\$ 1,218,443	\$ 2,500,000	\$ 7,936,067	\$ 1,056,443	\$ 13,100,953
Amounts incurred				1,550,000		1,550,000
Amounts retired	(13,962)	(242,505)	(179,000)	(1,129,072)	(251,826)	(1,816,366)
Payable, June 30, 2006	<u>\$ 376,038</u>	<u>\$ 975,938</u>	<u>\$ 2,321,000</u>	<u>\$ 8,356,995</u>	<u>\$ 804,617</u>	<u>\$ 12,834,588</u>
Amounts due within one year	<u>\$ 200,000</u>	<u>\$ 254,466</u>	<u>\$ 276,000</u>	<u>\$ 1,142,771</u>	<u>\$ 264,571</u>	<u>\$ 2,137,808</u>

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

The balances of interfund receivables and payables at June 30, 2006, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Rural Fire	\$ 5,975,499
General Fund	Nonmajor Governmental - Fire Coordinator	1,612,041
General Fund	Nonmajor Governmental - Fire Dept. Debt Service	169,033
		<u>\$ 7,756,573</u>

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

(Continued)

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

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2006 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor Special Revenue Funds		
Gray Court	Rural Fire	\$ 52,750
Cross Hill	Rural Fire	66,000
Durbin Creek	Rural Fire	49,125
Ekom	Rural Fire	47,110
Green Pond	Rural Fire	53,330
Hickory Tavern	Rural Fire	57,000
Joanna	Rural Fire	63,785
Mountville	Rural Fire	18,650
Renno	Rural Fire	25,975
Sandy Springs	Rural Fire	42,593
Waterloo	Rural Fire	47,485
Western Laurens	Rural Fire	46,400
Young's	Rural Fire	62,350
		<u>\$ 632,553</u>

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

NOTE 12 - LITIGATION

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

NOTE 13 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2006 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.

(Continued)

NOTE 13 - CONTINGENT LIABILITIES, Continued

As of June 30, 2006, the Health Care System's obligations on the two bonds the County guarantees totaled \$9,872,500. The County provides a subsidy of \$397,085 per year to the Health Care System which is funded by a tax levy. The Health Care System places funds for its next year's debt payments related to these two bond issues with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Health Care Bond Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

NOTE 14 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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

NOTE 15 - RISK MANAGEMENT

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

The County has elected to be "self-insured" for unemployment taxes, whereby it would reimburse the South Carolina Employment Security Commission for actual claims paid attributable to service in the employ of the County. During the year ended June 30, 2006, \$16,233 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.

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
TAXES				
Property taxes and current penalties	\$ 8,858,807	\$ 8,858,807	\$ 8,986,167	\$ 127,360
	<u>8,858,807</u>	<u>8,858,807</u>	<u>8,986,167</u>	<u>127,360</u>
LICENSES AND PERMITS				
Utility franchise fee	125,000	125,000	133,714	8,714
Building permits	275,000	275,000	221,766	(53,234)
Mobile home licenses	103,000	103,000	87,973	(15,027)
Septic tank fee	2,500	2,500	2,070	(430)
	<u>505,500</u>	<u>505,500</u>	<u>445,523</u>	<u>(59,977)</u>
INTERGOVERNMENTAL REVENUE				
Aid to subdivisions	3,275,367	3,275,367	3,276,774	1,407
Veterans Service Office	7,500	7,500	6,865	(635)
National Forest fund	60,000	60,000	63,877	3,877
Motor carrier fee	-	-	32,665	32,665
Department of Social Services	50,000	50,000	45,928	(4,072)
Dept. of Health and Environmental Control	5,000	5,000	15,218	10,218
Child support	-	-	164,364	164,364
Accommodations tax	30,000	30,000	79,929	49,929
State salary supplement	6,300	6,300	6,300	-
Laurens and Clinton PD for Comm	58,140	58,140	60,653	2,513
Laurens/Clinton PD - Vict. Ass't	53,830	53,830	20,182	(33,648)
Laurens/Clinton/Cross Hill Mag	30,000	30,000	25,237	(4,763)
Cooperative Capital Credit Distribution	-	-	630	630
Merchants' inventory exempt	40,841	40,841	49,176	8,335
One percent monies - Greenville	15,000	15,000	5,010	(9,990)
EMS grant	24,811	24,811	2,662	(22,149)
	<u>3,656,789</u>	<u>3,656,789</u>	<u>3,855,470</u>	<u>198,681</u>
CHARGES FOR SERVICES				
Clerk of Court fines and fees	600,000	600,000	638,001	38,001
Judge of Probate fees	125,000	125,000	133,121	8,121
Collection of city taxes	20,000	20,000	22,163	2,163
Treasurer's costs	100,000	100,000	145,135	45,135
Treasurer's other income	5,000	5,000	10,060	5,060
Sheriff fees	-	-	10,706	10,706
Cross Hill support/sheriff	22,830	22,830	11,815	(11,015)
Gray Court support/sheriff	45,066	45,066	23,630	(21,436)
Vital statistics	10,000	10,000	6,134	(3,866)
Clerk victim's assistance	55,207	55,207	34,188	(21,019)
Magistrate victim's assistance	127,836	127,836	105,296	(22,540)
Magistrate fines and fees	725,000	725,000	589,500	(135,500)
Vehicle road fee	440,000	440,000	457,849	17,849
E-911 cell phone fee	70,000	70,000	135,540	65,540
E-911 telephone fee	354,000	354,000	307,250	(46,750)
Emergency medical services fees	1,318,755	1,318,755	847,974	(470,781)
Residential landfill fees	1,843,340	1,843,340	1,853,327	9,987
Coroner fees	-	-	691	691
Road and bridge fees	-	-	2,158	2,158
School District 55 SRO Match	80,000	80,000	134,146	54,146
	<u>5,942,034</u>	<u>5,942,034</u>	<u>5,468,684</u>	<u>(473,350)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
MISCELLANEOUS REVENUE				
Interest income	-	-	73,267	73,267
Building rental	600	600	646	46
Miscellaneous	-	-	153,013	153,013
Reimb. From Fire for Admin. Overhead Costs	50,000	50,000	-	(50,000)
Forest Funds	25,000	25,000	-	(25,000)
Sterilite Project	140,000	140,000	-	(140,000)
E-911 refunds	-	-	-	-
	<u>215,600</u>	<u>215,600</u>	<u>226,926</u>	<u>11,326</u>
TOTAL BUDGETED REVENUES	<u>\$ 19,178,730</u>	<u>\$ 19,178,730</u>	<u>\$ 18,982,770</u>	<u>\$ (195,960)</u>
NON-BUDGETED REVENUES				
State funds for road maintenance			1,389,928	
Local options sales tax collected			2,609,688	
Library			184,641	
Registration Board			40,616	
Fee in Lieu of Tax			99,249	
Taxiway project			21,415	
Traffic safety grant			7,378	
State drug forfeitures			33,847	
Property taxes for indigent care			158,110	
Property taxes for technical education			161,485	
Justice grant			42,007	
State Homeland Security Grant			121,276	
Local Enforcement Block Grant funds			70,069	
Miscellaneous			<u>2,272</u>	
TOTAL NON-BUDGETED REVENUES			<u>4,941,981</u>	
TOTAL REVENUES			<u>\$ 23,924,751</u>	

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT				
Administration	\$ 280,822	\$ 280,822	\$ 320,690	\$ (39,868)
County Council	86,462	86,462	90,648	(4,186)
Judge of Probate	173,416	173,416	174,566	(1,150)
Registration	116,954	116,954	141,680	(24,726)
Capital Expenditures	295,000	295,000	360,715	(65,715)
Human Resources	75,752	75,752	75,030	722
Finance Department	163,318	163,318	154,706	8,612
Risk Management	40,300	40,300	37,317	2,983
Purchasing/Vehicle Maintenance	60,880	60,880	61,897	(1,017)
Non-Departmental	3,527,723	3,527,723	3,536,360	(8,637)
Auditor	322,732	322,732	297,864	24,868
Treasurer	239,318	239,318	242,881	(3,563)
Miscellaneous	88,335	88,335	85,747	2,588
Tax Assessor	342,685	342,685	319,181	23,504
Clerk of Court	485,665	485,665	462,717	22,948
Buildings and Grounds Maintenance	616,885	616,885	617,389	(504)
Airport	54,146	54,146	45,744	8,402
Contingency	168,561	168,561	114,855	53,706
Magistrates	383,044	383,044	335,388	47,656
	<u>7,521,998</u>	<u>7,521,998</u>	<u>7,475,375</u>	<u>46,623</u>
PUBLIC SAFETY				
Coroner	106,482	106,482	118,862	(12,380)
E-911	413,296	413,296	402,177	11,119
Emergency Preparedness	39,477	39,477	19,125	20,352
Emergency Operations	581,343	581,343	568,012	13,331
Emergency Medical Services	2,300,747	2,300,747	2,419,048	(118,301)
Victims' Assistance	160,283	160,283	140,364	19,919
Sheriff	2,303,406	2,303,406	2,575,758	(272,352)
Detention Center	1,592,442	1,592,442	1,883,372	(290,930)
Road/Bridges	682,626	682,626	635,770	46,856
Inspection/Permits	271,097	271,097	270,419	678
	<u>8,451,199</u>	<u>8,451,199</u>	<u>9,032,907</u>	<u>(581,708)</u>
PUBLIC WORKS				
Public Works	122,374	122,374	125,388	(3,014)
Solid Waste Management	1,833,644	1,833,644	1,762,784	70,860
	<u>1,956,018</u>	<u>1,956,018</u>	<u>1,888,172</u>	<u>67,846</u>
HEALTH AND WELFARE				
Veterans Affairs	58,828	58,828	61,376	(2,548)
Health Department	14,250	14,250	13,614	636
Social Services	13,600	13,600	13,284	316
	<u>86,678</u>	<u>86,678</u>	<u>88,274</u>	<u>(1,596)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL
For the year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
CULTURE AND RECREATION				
Parks and Recreation	137,513	137,513	118,266	19,247
Library	541,903	541,903	551,498	(9,595)
	<u>679,416</u>	<u>679,416</u>	<u>669,764</u>	<u>9,652</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
Local Government Assistance	344,237	344,237	344,181	56
Special Appropriations	20,045	20,045	20,045	-
Clemson Extension	33,835	33,835	35,159	(1,324)
	<u>398,117</u>	<u>398,117</u>	<u>399,385</u>	<u>(1,268)</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 19,093,426</u>	<u>\$ 19,093,426</u>	<u>19,553,877</u>	<u>\$ (460,451)</u>
NON-BUDGETED EXPENDITURES				
Local options sales tax distributed			2,283,043	
State for road maintenance			1,107,086	
Water and sewer line project			2,386,417	
Technical education			139,838	
Indigent care			108,786	
Justice grant expense			42,314	
Miscellaneous			138,775	
DARE program supplies			<u>5,372</u>	
Total non-budgeted expenditures			<u>6,211,631</u>	
TOTAL EXPENDITURES			<u>\$ 25,765,508</u>	

LAURENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash with cash equivalents	\$ 3,339,968	\$ 938,154	\$ 4,278,122
Property taxes receivable	45,844	100,177	146,021
Due from other governments	13,298	-	13,298
	<u>3,399,110</u>	<u>1,038,331</u>	<u>4,437,441</u>
Total assets	<u>\$ 3,399,110</u>	<u>\$ 1,038,331</u>	<u>\$ 4,437,441</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ 1,781,074	\$ -	\$ 1,781,074
Deferred revenue	43,526	95,647	139,173
	<u>1,824,600</u>	<u>95,647</u>	<u>1,920,247</u>
Total liabilities	<u>1,824,600</u>	<u>95,647</u>	<u>1,920,247</u>
Fund balances			
Reserved for:			
Debt service	-	942,684	942,684
Unreserved:			
Undesignated	1,574,510	-	1,574,510
	<u>1,574,510</u>	<u>942,684</u>	<u>2,517,194</u>
Total fund balances	<u>1,574,510</u>	<u>942,684</u>	<u>2,517,194</u>
Total liabilities and fund balances	<u>\$ 3,399,110</u>	<u>\$ 1,038,331</u>	<u>\$ 4,437,441</u>

LAURENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ 431,583	\$ 1,641,416	\$ 2,072,999
Fee in lieu of taxes	-	408,912	408,912
Interest	3,458	25,473	28,931
Miscellaneous	377,414	-	377,414
Total revenues	<u>812,455</u>	<u>2,075,801</u>	<u>2,888,256</u>
EXPENDITURES			
Public safety	1,231,224	-	1,231,224
Debt service			
Principal retirement	158,797	1,308,072	1,466,869
Interest and fiscal charges	42,119	576,475	618,594
Total expenditures	<u>1,432,140</u>	<u>1,884,547</u>	<u>3,316,687</u>
Excess of revenues over expenditures	<u>(619,685)</u>	<u>191,254</u>	<u>(428,431)</u>
Other financing sources (uses):			
Operating transfers in	632,553	-	632,553
Total other financing sources (uses)	<u>632,553</u>	<u>-</u>	<u>632,553</u>
Net change in fund balances	12,868	191,254	204,122
Fund balances, beginning of the year	<u>1,561,642</u>	<u>751,430</u>	<u>2,313,072</u>
Fund balances, end of the year	<u>\$ 1,574,510</u>	<u>\$ 942,684</u>	<u>\$ 2,517,194</u>

LAURENS COUNTY, SOUTH CAROLINA
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2006

ASSETS

Cash and cash equivalents	\$ 7,997,755
Investments	321,309
Property taxes receivable - Net	620,728
Accounts receivable	545,080
Due from collection agents	598,494
Due from other funds	7,756,573
Due from other governments	<u>1,882,065</u>
Total assets	<u>\$ 19,722,004</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	\$ 1,139,752
Deferred revenue	589,116
Retirement and insurance withheld and accrued	380,205
Due to other local governments	<u>16,842,213</u>
Total liabilities	<u>18,951,286</u>
Fund balances	
Reserved for capital expenditures	1,614,652
Unreserved	
Undesignated (deficit)	<u>(843,934)</u>
Total fund balances	<u>770,718</u>
Total liabilities and fund balances	<u>\$ 19,722,004</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the year ended June 30, 2006

REVENUES	\$ 23,924,751
EXPENDITURES	<u>25,765,508</u>
Excess (deficiency) of revenues over expenditures	(1,840,757)
OTHER FINANCING SOURCES	
Loan proceeds	<u>1,550,000</u>
Net change in fund balance	(290,757)
FUND BALANCE, BEGINNING OF YEAR	<u>1,061,475</u>
FUND BALANCE, END OF YEAR	<u>\$ 770,718</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT				
Administration				
Salaries and wages	\$ 121,762	\$ 121,762	\$ 126,446	\$ (4,684)
Professional services	110,000	110,000	166,109	(56,109)
Computer maintenance	5,000	5,000	-	5,000
Vehicle maintenance	400	400	-	400
Telephone	5,500	5,500	3,124	2,376
Advertising notices	1,500	1,500	3,223	(1,723)
Memberships/dues	250	250	315	(65)
Travel/meetings	2,500	2,500	2,709	(209)
Computer supplies	4,080	4,080	2,398	1,682
Office supplies	4,080	4,080	1,406	2,674
Postage	4,750	4,750	1,848	2,902
Vehicle supplies	1,000	1,000	1,612	(612)
Matching grant	20,000	20,000	11,500	8,500
	<u>280,822</u>	<u>280,822</u>	<u>320,690</u>	<u>(39,868)</u>
County Council				
Salaries and wages	59,592	59,592	61,884	(2,292)
Cell phones/pagers	500	500	2,443	(1,943)
Travel/per diem	16,800	16,800	19,477	(2,677)
Travel/meetings	9,570	9,570	6,844	2,726
	<u>86,462</u>	<u>86,462</u>	<u>90,648</u>	<u>(4,186)</u>
Judge of Probate				
Salaries and wages	141,116	141,116	145,283	(4,167)
Court reporter fees	750	750	420	330
Transports/mental exams	250	250	-	250
Computer maintenance	4,000	4,000	3,907	93
Equipment maintenance	3,000	3,000	3,000	-
Telephone	4,400	4,400	4,259	141
Memberships/dues	200	200	200	-
Travel/per diem	2,400	2,400	2,400	-
Travel/meetings	2,250	2,250	2,260	(10)
Office supplies	6,000	6,000	4,931	1,069
Postage and postage meter	3,800	3,800	3,699	101
Copier	4,500	4,500	4,207	293
Court fees/jury trials	750	750	-	750
	<u>173,416</u>	<u>173,416</u>	<u>174,566</u>	<u>(1,150)</u>
Registration				
Salaries	83,704	83,704	82,974	730
Equipment maintenance	2,500	2,500	5,341	(2,841)
Telephone	6,500	6,500	6,912	(412)
Memberships/dues	500	500	220	280
Travel/per diem	2,250	2,250	4,116	(1,866)
Travel/meetings	2,500	2,500	1,827	673
Election supplies	5,000	5,000	3,253	1,747
Office supplies	4,500	4,500	2,157	2,343
Postage	4,500	4,500	2,582	1,918
Ballots, poll workers, legal ads	5,000	5,000	32,298	(27,298)
	<u>116,954</u>	<u>116,954</u>	<u>141,680</u>	<u>(24,726)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Capital Expenditures				
GIS system	28,000	28,000	52,655	(24,655)
Building maintenance	12,500	12,500	-	12,500
Charter fiber network	12,000	12,000	5,123	6,877
Sheriff N800 pal radio system	30,000	30,000	38,961	(8,961)
Equipment	42,500	42,500	-	42,500
Vehicles	36,000	36,000	180,313	(144,313)
Sheriff autos	75,000	75,000	74,206	794
Computer system	48,821	48,821	9,457	39,364
PRT projects	10,179	10,179	-	10,179
	<u>295,000</u>	<u>295,000</u>	<u>360,715</u>	<u>(65,715)</u>
Human Resources				
Salaries	62,172	62,172	61,549	623
Telephone	2,000	2,000	1,702	298
Advertising notices	5,000	5,000	8,505	(3,505)
Memberships/dues	300	300	300	-
Training	1,000	1,000	47	953
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	2,500	2,500	324	2,176
Office supplies	1,080	1,080	1,141	(61)
Postage	500	500	262	238
	<u>75,752</u>	<u>75,752</u>	<u>75,030</u>	<u>722</u>
Finance Department				
Salaries and wages	105,618	105,618	98,317	7,301
Computer maintenance	35,000	35,000	33,425	1,575
Telephone	2,200	2,200	2,110	90
Membership/dues	300	300	135	165
Travel/per diem	1,200	1,200	1,100	100
Travel/meetings	1,000	1,000	1,010	(10)
Office supplies	6,000	6,000	5,857	143
Postage	12,000	12,000	12,752	(752)
	<u>163,318</u>	<u>163,318</u>	<u>154,706</u>	<u>8,612</u>
Risk Management				
Salaries and wages	27,500	27,500	27,119	381
Telephone	1,700	1,700	1,104	596
Travel/per diem	4,800	4,800	1,170	3,630
Travel/meetings	500	500	453	47
Computer supplies	500	500	124	376
Office supplies	3,000	3,000	2,475	525
Postage	300	300	5	295
Equipment	2,000	2,000	4,867	(2,867)
	<u>40,300</u>	<u>40,300</u>	<u>37,317</u>	<u>2,983</u>
Purchasing/Vehicle Maintenance				
Salaries and wages	39,030	39,030	40,522	(1,492)
Vehicle maintenance	1,600	1,600	1,484	116
Copying machine lease	15,000	15,000	14,914	86
Cell phone	600	600	675	(75)
Telephone	1,200	1,200	1,101	99
Advertising notices	750	750	659	91
Travel/meetings	400	400	400	-
Computer supplies	300	300	202	98
Office supplies	300	300	296	4

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Purchasing/Vehicle Maintenance, Continued				
Postage	100	100	26	74
Vehicle supplies	1,600	1,600	1,618	(18)
	<u>60,880</u>	<u>60,880</u>	<u>61,897</u>	<u>(1,017)</u>
Non-Departmental				
Fringe benefits	3,161,242	3,161,242	3,186,797	(25,555)
Tort liability	139,205	139,205	142,930	(3,725)
Auto insurance	226,776	226,776	206,467	20,309
Audit/bank charges	500	500	166	334
	<u>3,527,723</u>	<u>3,527,723</u>	<u>3,536,360</u>	<u>(8,637)</u>
Auditor				
Salaries and wages	120,357	120,357	120,616	(259)
Equipment maintenance	800	800	300	500
Smith data contracts	185,000	185,000	163,323	21,677
Telephone	5,500	5,500	3,912	1,588
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,500	1,500	1,191	309
Office supplies	3,000	3,000	2,575	425
Postage	875	875	875	-
Copier-auditor/treasury	4,500	4,500	3,872	628
	<u>322,732</u>	<u>322,732</u>	<u>297,864</u>	<u>24,868</u>
Treasurer				
Salaries and wages	167,498	167,498	173,314	(5,816)
Equipment maintenance	500	500	411	89
Telephone	5,000	5,000	3,116	1,884
Training	2,000	2,000	1,720	280
Travel/per diem	3,600	3,600	3,600	-
Office supplies	5,720	5,720	5,720	-
Postage	55,000	55,000	55,000	-
	<u>239,318</u>	<u>239,318</u>	<u>242,881</u>	<u>(3,563)</u>
Miscellaneous				
Public defender	40,000	40,000	40,000	-
Watershed maintenance	30,000	30,000	30,000	-
Soil conservation rent	1,200	1,200	1,200	-
Bonds on employees	4,985	4,985	3,275	1,710
Family court telephone	3,500	3,500	3,953	(453)
Circuit judge phone	3,000	3,000	2,069	931
Soil conservation	3,350	3,350	3,350	-
Delegation	1,900	1,900	1,900	-
Health district meetings	400	400	-	400
	<u>88,335</u>	<u>88,335</u>	<u>85,747</u>	<u>2,588</u>
Tax Assessor				
Salaries and wages	264,520	264,520	260,448	4,072
Equipment maintenance	3,500	3,500	2,226	1,274
Copy machine lease	4,055	4,055	8,181	(4,126)
Postage meter lease	3,200	3,200	3,260	(60)
Telephone	5,000	5,000	3,643	1,357
Training	7,000	7,000	5,029	1,971
Travel/per diem	28,800	28,800	27,000	1,800
Office supplies	1,500	1,500	5,998	(4,498)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Tax Assessor, Continued				
Postage	22,200	22,200	486	21,714
Machines/Equipment	2,910	2,910	2,910	-
	<u>342,685</u>	<u>342,685</u>	<u>319,181</u>	<u>23,504</u>
Clerk of Court				
Salaries and wages	293,565	293,565	300,274	(6,709)
Jurors expense	70,000	70,000	53,055	16,945
Equipment maintenance	63,000	63,000	53,750	9,250
Telephone	10,000	10,000	8,023	1,977
Travel/per diem	1,200	1,200	970	230
Travel/meetings	1,000	1,000	-	1,000
Department supplies	400	400	-	400
Office supplies	15,500	15,500	20,334	(4,834)
Postage	31,000	31,000	26,311	4,689
	<u>485,665</u>	<u>485,665</u>	<u>462,717</u>	<u>22,948</u>
Building and Grounds Maintenance				
Salaries	186,062	186,062	192,282	(6,220)
Building maintenance	82,000	82,000	78,670	3,330
Maintenance contracts	20,000	20,000	19,995	5
Building insurance	62,673	62,673	62,673	-
Telephone	650	650	644	6
Department supplies	200	200	377	(177)
Janitorial supplies	25,000	25,000	23,979	1,021
Landscape maintenance supplies	15,000	15,000	14,888	112
Postage	50	50	49	1
Vehicle supplies	7,000	7,000	6,721	279
Utilities	175,000	175,000	170,693	4,307
Utilities/H.H.S. building	42,500	42,500	45,730	(3,230)
Miscellaneous and flags	750	750	688	62
	<u>616,885</u>	<u>616,885</u>	<u>617,389</u>	<u>(504)</u>
Airport				
Salaries and wages	29,446	29,446	29,604	(158)
Equipment maintenance	6,000	6,000	8,067	(2,067)
Tractor maintenance	1,000	1,000	360	640
Telephone	1,250	1,250	661	589
Travel/meetings	1,000	1,000	759	241
Building maintenance supplies	750	750	91	659
Postage	100	100	47	53
Tractor supplies	350	350	837	(487)
Utilities	6,750	6,750	5,318	1,432
Matching FFA funds	7,500	7,500	-	7,500
	<u>54,146</u>	<u>54,146</u>	<u>45,744</u>	<u>8,402</u>
Contingency				
Contingency	168,561	168,561	114,855	53,706
Magistrates				
Salaries and wages	315,590	315,590	280,462	35,128
Jurors	11,505	11,505	9,105	2,400
Equipment maintenance	18,080	18,080	18,913	(833)
Building rent	2,800	2,800	2,400	400
Telephone	7,790	7,790	7,377	413
Memberships/dues	750	750	1,031	(281)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
GENERAL GOVERNMENT, Continued				
Magistrates, Continued				
Training/memberships	1,500	1,500	530	970
Travel/per diem	7,200	7,200	6,000	1,200
Travel/meetings	3,000	3,000	377	2,623
Office supplies	7,000	7,000	5,234	1,766
Office furniture	1,329	1,329	-	1,329
Equipment	2,000	2,000	320	1,680
Postage	4,500	4,500	3,639	861
	<u>383,044</u>	<u>383,044</u>	<u>335,388</u>	<u>47,656</u>
Total general government	<u>\$ 7,521,998</u>	<u>\$ 7,521,998</u>	<u>\$ 7,475,375</u>	<u>\$ 46,623</u>
PUBLIC SAFETY				
Coroner				
Salaries and wages	42,307	42,307	42,831	(524)
Autopsies	47,000	47,000	60,829	(13,829)
Vehicle maintenance	2,500	2,500	2,070	430
Copy machine lease	-	-	1,010	(1,010)
Cell phone	1,200	1,200	1,036	164
Internet	250	250	77	173
Pagers	400	400	428	(28)
Telephone	3,800	3,800	2,054	1,746
Membership/dues	325	325	280	45
Training	2,000	2,000	919	1,081
Travel/per diem	-	-	642	(642)
Office supplies	3,000	3,000	2,395	605
Vehicle supplies	2,000	2,000	2,726	(726)
Equipment	1,700	1,700	1,565	135
	<u>106,482</u>	<u>106,482</u>	<u>118,862</u>	<u>(12,380)</u>
E-911				
Salaries and wages	132,246	132,246	109,403	22,843
Call check maintenance	3,000	3,000	4,036	(1,036)
Headset repair/replacement	1,200	1,200	1,085	115
Plotter maintenance	1,250	1,250	1,190	60
911 office voice mail	2,000	2,000	1,994	6
Recorder maintenance	12,000	12,000	23,997	(11,997)
Vehicle maintenance	1,800	1,800	282	1,518
Work station maintenance	19,000	19,000	21,437	(2,437)
Telephone	80,000	80,000	80,612	(612)
911 director telephone	2,400	2,400	2,349	51
E-911 public awareness	3,000	3,000	1,228	1,772
Training	2,500	2,500	1,819	681
Computer supplies	1,500	1,500	1,497	3
Copier supplies	2,000	2,000	2,222	(222)
Office supplies	1,000	1,000	946	54
Plotter paper supplies	1,000	1,000	-	1,000
Postage	600	600	465	135
Uninterrupted power supply	2,000	2,000	1,954	46
Vehicle supplies	2,000	2,000	1,981	19
CAD lease purchase	119,800	119,800	119,578	222
CAD annual maintenance	23,000	23,000	24,102	(1,102)
	<u>413,296</u>	<u>413,296</u>	<u>402,177</u>	<u>11,119</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Emergency Preparedness				
Salaries and wages	17,352	17,352	-	17,352
Tornado siren	7,500	7,500	3,573	3,927
Rent/lease equipment	5,780	5,780	7,019	(1,239)
Telephone	2,300	2,300	2,729	(429)
Training	800	800	698	102
Travel	1,500	1,500	1,319	181
Office supplies	1,645	1,645	3,346	(1,701)
Postage	400	400	67	333
Uniforms	200	200	159	41
Machines/equipment	2,000	2,000	215	1,785
	<u>39,477</u>	<u>39,477</u>	<u>19,125</u>	<u>20,352</u>
Emergency Operations				
Salaries and wages	413,790	413,790	377,060	36,730
Overtime	49,468	49,468	75,244	(25,776)
COG mapping agreement	1,000	1,000	977	23
Charter records fiber network	6,000	6,000	5,984	16
DTN weather service	2,400	2,400	2,398	2
Service contract - Radio	30,000	30,000	30,533	(533)
Telephone maintenance	6,500	6,500	6,500	-
Vehicle maintenance	2,200	2,200	1,048	1,152
Pager	1,000	1,000	986	14
SLED NCIC terminal	7,500	7,500	6,149	1,351
Telephone	18,500	18,500	19,352	(852)
Emergency line	11,000	11,000	10,721	279
Printing and binding	750	750	745	5
Memberships/dues	400	400	380	20
Training	3,000	3,000	2,985	15
Travel/per diem	2,000	2,000	1,424	576
Computer supplies	1,200	1,200	1,170	30
Copier supplies	3,000	3,000	3,026	(26)
Office supplies	4,400	4,400	4,198	202
Postage	700	700	679	21
Road signs	9,785	9,785	9,892	(107)
Uniforms	750	750	281	469
Vehicle supplies	3,000	3,000	3,449	(449)
Copier lease	3,000	3,000	2,831	169
	<u>581,343</u>	<u>581,343</u>	<u>568,012</u>	<u>13,331</u>
Emergency Medical Services				
Salaries and wages	836,319	836,319	931,579	(95,260)
Overtime	499,157	499,157	482,324	16,833
Holiday work pay	20,700	20,700	17,622	3,078
Fringe benefits	540,267	540,267	556,283	(16,016)
Insurance	5,000	5,000	-	5,000
Equipment and vehicle maintenance	90,800	90,800	92,176	(1,376)
Building maintenance	7,500	7,500	5,996	1,504
Telephone	24,850	24,850	22,537	2,313
Utilities	25,000	25,000	21,574	3,426
Training	15,000	15,000	7,222	7,778
Travel	1,597	1,597	1,088	509
Office supplies	8,000	8,000	5,677	2,323
Communication equipment	-	-	7,927	(7,927)
Professional development	6,785	6,785	5,598	1,187

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Emergency Medical Services, Continued				
Medical supplies	96,750	96,750	91,385	5,365
Vehicle supplies	73,250	73,250	122,431	(49,181)
Laundry and linen	1,000	1,000	80	920
Uniforms	20,325	20,325	15,731	4,594
Grant expenditures	22,947	22,947	26,607	(3,660)
Petty cash	500	500	1,504	(1,004)
Infection control	5,000	5,000	3,707	1,293
	<u>2,300,747</u>	<u>2,300,747</u>	<u>2,419,048</u>	<u>(118,301)</u>
Victims' Assistance				
Salaries and wages	76,827	76,827	83,748	(6,921)
Fringe benefits	28,298	28,298	28,152	146
Professional services	20,000	20,000	7,313	12,687
Computer system maintenance	5,000	5,000	1,411	3,589
Vehicle maintenance	1,200	1,200	1,074	126
Telephone	5,500	5,500	4,894	606
Printing and binding	1,500	1,500	1,448	52
Dues	250	250	8	242
Training	3,500	3,500	668	2,832
Copier supplies	500	500	183	317
Office supplies	1,500	1,500	2,352	(852)
Postage	750	750	401	349
Vehicle supplies	2,750	2,750	2,778	(28)
Travel	500	500	207	293
Law tracks	5,208	5,208	-	5,208
Contingency	7,000	7,000	5,727	1,273
	<u>160,283</u>	<u>160,283</u>	<u>140,364</u>	<u>19,919</u>
Sheriff				
Salaries and wages	1,708,423	1,708,423	1,800,376	(91,953)
Overtime	105,250	105,250	107,586	(2,336)
Holiday work pay	25,875	25,875	18,496	7,379
Professional services	1,500	1,500	3,859	(2,359)
Transports/mental exams	1,500	1,500	-	1,500
Towing/storage seized vehicles	1,200	1,200	1,360	(160)
Computer maintenance	14,000	14,000	12,839	1,161
Sex offender computer maintenance	5,000	5,000	1,247	3,753
Vehicle maintenance	106,625	106,625	180,742	(74,117)
Telephone	44,468	44,468	57,245	(12,777)
Training	8,000	8,000	2,363	5,637
Travel/meetings	8,500	8,500	4,506	3,994
Dept. supplies	24,500	24,500	19,163	5,337
K-Nine maintenance supplies	4,500	4,500	2,956	1,544
Office supplies	14,500	14,500	20,107	(5,607)
Postage	3,000	3,000	5,780	(2,780)
Reserve deputy supplies	10,000	10,000	-	10,000
Uniforms	52,465	52,465	48,864	3,601
Vehicle supplies	159,600	159,600	262,668	(103,068)
Child support enforcement	-	-	20,963	(20,963)
Crime prevention program	1,000	1,000	3,029	(2,029)
Drug fund/stolen property	1,000	1,000	140	860
DARE Program	2,500	2,500	1,469	1,031
	<u>2,303,406</u>	<u>2,303,406</u>	<u>2,575,758</u>	<u>(272,352)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC SAFETY, Continued				
Detention Center				
Salaries and wages	897,034	897,034	942,574	(45,540)
Overtime	108,408	108,408	124,572	(16,164)
Physician and medical supplies	188,000	188,000	319,160	(131,160)
Systems maintenance	35,000	35,000	26,878	8,122
Telephone	12,000	12,000	13,261	(1,261)
Juvenile incarceration	3,000	3,000	13,888	(10,888)
Training	3,500	3,500	3,329	171
Department supplies	43,000	43,000	30,144	12,856
Laundry and linen	2,500	2,500	2,468	32
Janitorial supplies	15,000	15,000	30,462	(15,462)
Office supplies	10,000	10,000	9,739	261
Utilities	70,000	70,000	126,348	(56,348)
Food/provisions	205,000	205,000	240,549	(35,549)
	<u>1,592,442</u>	<u>1,592,442</u>	<u>1,883,372</u>	<u>(290,930)</u>
Road/Bridges				
Salaries and wages	326,141	326,141	313,903	12,238
Professional services	500	500	353	147
Vehicle maintenance	41,500	41,500	41,871	(371)
Telephone	1,200	1,200	1,090	110
Training	400	400	-	400
Bridge maintenance supplies	41,000	41,000	25,802	15,198
Dept supplies	173,000	173,000	174,624	(1,624)
Office supplies	500	500	578	(78)
Pipe	18,600	18,600	3,239	15,361
Postage	85	85	78	7
Road signs	10,000	10,000	5,654	4,346
Vehicle supplies	65,000	65,000	63,889	1,111
Utilities	4,700	4,700	4,689	11
	<u>682,626</u>	<u>682,626</u>	<u>635,770</u>	<u>46,856</u>
Inspections/Permits				
Salaries	205,797	205,797	212,854	(7,057)
Professional services	5,000	5,000	655	4,345
Demolition and cleanup	5,000	5,000	2,669	2,331
Vehicle maintenance	3,000	3,000	5,163	(2,163)
Copy machine lease	2,500	2,500	2,627	(127)
Postage machine lease	2,000	2,000	2,426	(426)
Telephone	8,000	8,000	7,385	615
Training/uniforms	10,000	10,000	8,721	1,279
Travel/per diem	4,000	4,000	3,243	757
Computer supplies	5,800	5,800	4,575	1,225
Office supplies	10,000	10,000	7,599	2,401
Vehicle supplies	10,000	10,000	12,502	(2,502)
	<u>271,097</u>	<u>271,097</u>	<u>270,419</u>	<u>678</u>
Total public safety	<u>\$ 8,451,199</u>	<u>\$ 8,451,199</u>	<u>\$ 9,032,907</u>	<u>\$ (581,708)</u>
PUBLIC WORKS				
Public Works				
Salaries and wages	102,194	102,194	106,121	(3,927)
Vehicle maintenance	400	400	180	220
Telephone	2,100	2,100	2,096	4

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
PUBLIC WORKS, Continued				
Public Works, Continued				
Memberships/dues	290	290	287	3
Training	240	240	97	143
Travel/meetings	700	700	294	406
Office supplies	1,000	1,000	954	46
Postage	550	550	537	13
Uniforms	14,000	14,000	14,000	-
Vehicle supplies	900	900	822	78
	<u>122,374</u>	<u>122,374</u>	<u>125,388</u>	<u>(3,014)</u>
Solid Waste Management				
Salaries and wages	574,467	574,467	556,646	17,821
Fringe benefits	188,061	188,061	188,004	57
Professional services	1,900	1,900	1,591	309
Tire disposal fees	17,000	17,000	17,325	(325)
Well monitor	17,800	17,800	17,800	-
Public service supervision	4,350	4,350	-	4,350
Equipment maintenance	108,000	108,000	108,987	(987)
Dump site maintenance	18,000	18,000	17,994	6
Telephone	1,700	1,700	1,700	-
Utilities	5,100	5,100	5,060	40
Transfer station fees	610,000	610,000	573,122	36,878
Equipment supplies	108,000	108,000	105,515	2,485
Landfill supplies	38,500	38,500	38,493	7
Miscellaneous	1,800	1,800	1,690	110
Vehicles	17,800	17,800	17,171	629
Waste containers	36,000	36,000	36,000	-
Contingency	85,166	85,166	75,686	9,480
	<u>1,833,644</u>	<u>1,833,644</u>	<u>1,762,784</u>	<u>70,860</u>
Total public works	<u>\$ 1,956,018</u>	<u>\$ 1,956,018</u>	<u>\$ 1,888,172</u>	<u>\$ 67,846</u>
HEALTH AND WELFARE				
Veterans Affairs				
Salaries and wages	52,653	52,653	52,388	265
Equipment maintenance	500	500	569	(69)
Vehicle maintenance	500	500	507	(7)
Telephone	1,600	1,600	2,769	(1,169)
Travel/meetings	1,500	1,500	1,575	(75)
Office supplies	475	475	902	(427)
Postage	400	400	541	(141)
Vehicle supplies	1,200	1,200	2,125	(925)
	<u>58,828</u>	<u>58,828</u>	<u>61,376</u>	<u>(2,548)</u>
Health Department				
Telephone	14,000	14,000	13,614	386
Emergency contingency	250	250	-	250
	<u>14,250</u>	<u>14,250</u>	<u>13,614</u>	<u>636</u>
Social Services				
Telephone	13,600	13,600	13,284	316
Total health and welfare	<u>\$ 86,678</u>	<u>\$ 86,678</u>	<u>\$ 88,274</u>	<u>\$ (1,596)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
CULTURE AND RECREATION				
Parks and Recreation				
Salaries and wages	60,013	60,013	55,444	4,569
Professional services	1,200	1,200	272	928
Equipment maintenance	2,000	2,000	1,394	606
Grounds maintenance	14,000	14,000	12,056	1,944
Vehicle maintenance	2,200	2,200	894	1,306
Laurens YMCA	6,000	6,000	4,380	1,620
Training/membership dues	200	200	60	140
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	700	658	42
Department supplies	2,000	2,000	1,703	297
Vehicle supplies	2,000	2,000	3,979	(1,979)
Utilities	13,000	13,000	15,028	(2,028)
W.R. grace royalties	(9,000)	(9,000)	-	(9,000)
Community projects	42,000	42,000	21,198	20,802
	<u>137,513</u>	<u>137,513</u>	<u>118,266</u>	<u>19,247</u>
Library				
Salaries	390,901	390,901	399,850	(8,949)
Professional services	4,200	4,200	3,717	483
Bookmobile maintenance	1,500	1,500	2,320	(820)
Computer maintenance	20,000	20,000	19,929	71
Equipment maintenance	7,800	7,800	7,419	381
Telephone	4,500	4,500	4,765	(265)
Travel/meetings	3,500	3,500	2,835	665
Bookmobile supplies	2,000	2,000	2,359	(359)
Department supplies	58,802	58,802	61,583	(2,781)
Office supplies	6,200	6,200	6,367	(167)
Postage	2,500	2,500	2,317	183
Utilities	40,000	40,000	38,037	1,963
	<u>541,903</u>	<u>541,903</u>	<u>551,498</u>	<u>(9,595)</u>
 Total recreation	 <u>\$ 679,416</u>	 <u>\$ 679,416</u>	 <u>\$ 669,764</u>	 <u>\$ 9,652</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
Local Government Assistance				
Solicitor's office	158,163	158,163	158,073	90
Economic development/Chamber of Commerce	87,000	87,000	87,000	-
National Association of Counties	1,208	1,208	1,242	(34)
S.C. Association of Counties	13,894	13,894	13,894	-
Upper Savannah C.O.G.	49,188	49,188	49,188	-
Upstate Alliance	34,784	34,784	34,784	-
	<u>344,237</u>	<u>344,237</u>	<u>344,181</u>	<u>56</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, 2006

	Original Budget	Final Budget	Actual	Variance favorable (unfavorable)
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT, Continued				
Clemson Extension				
Beautification project	850	850	865	(15)
4-H Project	25,000	25,000	25,629	(629)
Office supplies	2,685	2,685	2,880	(195)
Utilities	5,300	5,300	5,785	(485)
	<u>33,835</u>	<u>33,835</u>	<u>35,159</u>	<u>(1,324)</u>
Total intergovernmental and private non-profit	<u>\$ 398,117</u>	<u>\$ 398,117</u>	<u>399,385</u>	<u>\$ (1,268)</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 19,093,426</u>	<u>\$ 19,093,426</u>	<u>19,553,877</u>	<u>\$ (460,451)</u>
NON-BUDGETED EXPENDITURES				
Local options sales tax distributed			2,283,043	
State for road maintenance			1,107,086	
Water and sewer line project			2,386,417	
Technical education			139,838	
Indigent care			108,786	
Justice grant expense			42,314	
Miscellaneous			138,775	
DARE program supplies			<u>5,372</u>	
Total non-budgeted expenditures			<u>6,211,631</u>	
TOTAL EXPENDITURES			<u>\$ 25,765,508</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, 2006

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,830,510	\$ 2,153,547	\$ (323,037)
Total revenues	<u>1,830,510</u>	<u>2,153,547</u>	<u>(323,037)</u>
EXPENDITURES			
Salaries and wages	276,803	302,742	25,939
Fringe benefits	180,582	162,682	(17,900)
Postage	44	150	106
Uniforms	3,142	3,500	358
Books and publications	169	150	(19)
Dues and subscriptions	245	360	115
Travel and meetings	87	500	413
Utilities	12,001	13,000	999
Insurance	152,011	180,000	27,989
Telephone	3,777	3,500	(277)
Maintenance contract	246	275	29
Building repairs	2,437	3,500	1,063
Vehicle repairs	12,745	13,500	755
Vehicle supplies	11,243	9,000	(2,243)
Equipment repairs	3,683	3,000	(683)
First responder supplies	-	250	250
Cleaning supplies	331	500	169
Training	495	500	5
Other	3,748	15,000	11,252
Capital outlay	169,936	210,360	40,424
Office supplies	1,066	1,000	(66)
Debt service			
Principal retirement	93,029	93,029	-
Interest	10,611	10,611	-
Fire contracts	443,885	443,885	-
Contingency	(713)	50,000	50,713
Total expenditures	<u>1,381,603</u>	<u>1,520,994</u>	<u>139,391</u>
Excess (deficiency) of revenues over expenditures	<u>448,907</u>	<u>632,553</u>	<u>(183,646)</u>
OTHER FINANCING USES			
Operating transfers out	(632,553)	(632,553)	-
Total other financing uses	<u>(632,553)</u>	<u>(632,553)</u>	<u>-</u>
Net change in fund balance	(183,646)	-	(183,646)
FUND BALANCES, BEGINNING OF YEAR	<u>134,609</u>	<u>134,609</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (49,037)</u>	<u>\$ 134,609</u>	<u>\$ (183,646)</u>

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the year ended June 30, 2006**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn	Greenpond
ASSETS								
Cash held by County Government	\$ -	\$ 2,188,666	\$ 234,878	\$ -	\$ -	\$ -	\$ -	\$ -
Cash held at fire departments	-	-	-	35,139	186,979	108,239	78,767	45,691
Taxes receivable - Net	-	25,894	19,950	-	-	-	-	-
Due from other governments	13,298	-	-	-	-	-	-	-
Total assets	\$ 13,298	\$ 2,214,560	\$ 254,828	\$ 35,139	\$ 186,979	\$ 108,239	\$ 78,767	\$ 45,691
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ -	\$ 1,612,041	\$ 169,033	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	24,600	18,926	-	-	-	-	-
Total liabilities	-	1,636,641	187,959	-	-	-	-	-
Fund balances								
Unreserved								
Undesignated	13,298	577,919	66,869	35,139	186,979	108,239	78,767	45,691
Total fund balances	13,298	577,919	66,869	35,139	186,979	108,239	78,767	45,691
Total liabilities and fund balances	\$ 13,298	\$ 2,214,560	\$ 254,828	\$ 35,139	\$ 186,979	\$ 108,239	\$ 78,767	\$ 45,691

LAURENS COUNTY, SOUTH CAROLINA
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 For the year ended June 30, 2006

	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
ASSETS									
Cash held by County Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,423,544
Cash held at fire departments	87,680	48,239	69,136	38,207	36,835	88,853	72,413	20,246	916,424
Taxes receivable - Net	-	-	-	-	-	-	-	-	45,844
Due from other governments	-	-	-	-	-	-	-	-	13,298
Total assets	\$ 87,680	\$ 48,239	\$ 69,136	\$ 38,207	\$ 36,835	\$ 88,853	\$ 72,413	\$ 20,246	\$ 3,399,110
LIABILITIES AND FUND BALANCES									
Liabilities									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,781,074
Deferred revenue	-	-	-	-	-	-	-	-	43,526
Total liabilities	-	1,824,600							
Fund balances									
Unreserved									
Undesignated	87,680	48,239	69,136	38,207	36,835	88,853	72,413	20,246	1,574,510
Total fund balances	87,680	48,239	69,136	38,207	36,835	88,853	72,413	20,246	1,574,510
Total liabilities and fund balances	\$ 87,680	\$ 48,239	\$ 69,136	\$ 38,207	\$ 36,835	\$ 88,853	\$ 72,413	\$ 20,246	\$ 3,399,110

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn	Greenpond	Hickory Tavern
REVENUES									
Property taxes	-	\$ 250,061	\$ 181,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fundraising income	-	-	-	-	7,667	-	1,232	1,970	4,720
Interest	-	-	-	-	860	-	63	-	6
Other income	257,534	-	-	21,882	14,433	57	94	-	12,086
Total revenues	257,534	250,061	181,522	21,882	22,960	57	1,389	1,970	16,812
EXPENDITURES									
Salaries and wages	-	72,571	-	-	-	-	-	-	-
Fringe benefits	-	22,280	-	-	-	-	-	-	-
Advertising/printing/supplies	-	-	-	448	967	128	153	149	1,167
Postage	-	185	-	90	147	39	90	37	98
Books and publications	-	65	-	35	295	-	-	-	-
Dues and subscriptions	-	1,276	-	192	167	475	630	569	50
Travel and meetings	-	2,420	-	195	-	-	-	-	396
Fuel and oil	-	-	-	4,367	2,833	2,249	2,606	1,883	4,054
Utilities	-	-	-	7,185	4,650	5,114	2,655	1,209	6,475
Telephone	-	7,039	-	5,096	1,756	1,392	742	1,356	1,103
General Supplies	-	-	-	-	-	-	-	-	-
Maintenance contract	-	-	-	-	2,350	-	85	300	-
Building repairs	-	-	-	127	810	2,048	11,450	465	1,112
Vehicle repairs	-	2,159	-	4,805	2,549	6,400	1,793	222	6,697
Vehicle supplies	-	10,167	-	-	-	-	-	-	-
Equipment repairs	-	3,731	-	637	995	743	135	180	68
1st responder supplies	-	-	-	-	840	807	-	175	-
Cleaning supplies	-	-	-	3,947	-	145	118	504	122
Physician and medical supplies	-	-	-	-	-	-	-	-	-
Fire prevention supplies	-	11,633	-	-	-	-	-	-	-
Training	-	4,394	-	-	-	-	-	-	-
Rent expense	-	4,739	-	295	805	200	25	610	1,014
Bank charges	-	3,883	-	-	-	-	-	-	-
Professional services	-	4,250	-	1,564	600	335	-	-	1,475
Other	-	3,006	-	-	-	-	-	-	-
Capital outlay	63,705	-	-	245	175	1,801	508	392	5,373
Office supplies and equipment	180,531	4,749	-	20,365	-	-	841	-	8,511
Fundraising expense	-	2,163	-	1,815	-	577	909	2,782	7,759
Grant expense	-	-	-	-	8,211	85	2,277	2,318	2,074
Fire fighting supplies and equipment	-	137,754	-	19,214	-	-	-	-	-
Dive supplies	-	-	-	10,707	14,819	15,648	8,198	40,784	19,507

(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, 2006

	Community Development	Fire Coordinator	Laurens Rural Fire Dept Debt Service	Gray Court	Cross Hill	Durbin Creek	Elkom	Greenpond	Hickory Tavern
EXPENDITURES, Continued									
Contingency	-	1,530	-	-	-	-	-	-	-
Debt service	-	-	158,797	-	-	-	-	-	-
Principal	-	-	42,119	-	-	-	-	-	-
Interest	-	-	200,916	81,325	42,969	38,186	33,215	53,935	67,055
Total expenditures	244,236	299,974	200,916	81,325	42,969	38,186	33,215	53,935	67,055
Excess (deficiency) of revenues over expenditures	13,298	(49,913)	(19,394)	(59,443)	(20,009)	(38,129)	(31,826)	(51,965)	(50,243)
OTHER FINANCING SOURCES									
Operating transfers in	-	-	-	52,750	66,000	49,125	47,110	53,330	57,000
Total other financing sources (uses)	-	-	-	52,750	66,000	49,125	47,110	53,330	57,000
Net change in fund balance	13,298	(49,913)	(19,394)	(6,693)	45,991	10,996	15,284	1,365	6,757
FUND BALANCES, BEGINNING OF YEAR	-	627,832	86,263	41,832	140,988	97,245	63,483	44,326	80,923
FUND BALANCES, END OF YEAR	\$ 13,298	\$ 577,919	\$ 66,869	\$ 35,139	\$ 186,979	\$ 108,239	\$ 78,767	\$ 45,691	\$ 87,680

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006**

	Joanna	Mountville	Reno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
REVENUES								
Property taxes	-	-	-	-	-	-	-	\$ 431,583
Fundraising income	-	9,305	-	-	-	-	-	24,894
Interest	10	-	1	23	2,081	396	18	3,458
Other income	18,766	-	1,581	3,093	10,944	9,858	2,192	352,520
	<u>18,776</u>	<u>9,305</u>	<u>1,582</u>	<u>3,116</u>	<u>13,025</u>	<u>10,254</u>	<u>2,210</u>	<u>812,455</u>
EXPENDITURES								
Total revenues								
Salaries and wages	-	-	-	-	-	-	-	72,571
Fringe benefits	-	-	-	-	-	-	-	22,280
Advertising/printing/supplies	615	-	260	1,013	1,134	1,215	988	8,237
Postage	115	75	37	181	-	91	76	1,261
Books and publications	-	25	305	-	-	441	379	1,543
Dues and subscriptions	-	-	575	275	212	605	1,921	8,137
Travel and meetings	-	-	-	250	-	1,109	871	5,239
Fuel and oil	5,051	2,654	4,144	4,920	4,885	3,075	3,643	46,364
Utilities	8,161	-	3,193	4,798	4,124	3,779	4,475	55,818
Telephone	3,987	943	1,539	2,774	3,534	798	1,525	33,584
General Supplies	-	-	-	-	-	-	-	-
Maintenance contract	-	232	-	922	2,615	-	335	6,839
Building repairs	2,151	1,287	2,448	1,159	5,602	1,006	5,883	35,548
Vehicle repairs	5,452	3,828	746	6,806	2,650	5,838	5,780	55,725
Vehicle supplies	-	-	-	-	-	-	-	10,167
Equipment repairs	4,111	30	1,622	2,138	460	1,576	1,867	18,295
1st responder supplies	-	-	1,070	-	-	5,381	135	8,408
Cleaning supplies	-	-	487	111	822	268	393	6,917
Physician and medical supplies	-	-	-	-	-	-	-	11,653
Fire prevention supplies	-	-	-	-	-	-	-	4,394
Training	145	75	-	-	308	3,470	72	11,758
Rent expense	-	-	-	-	-	-	-	3,883
Bank charges	35	-	-	-	275	-	-	8,534
Professional services	-	-	-	-	-	-	-	3,006
Other	1,520	27	1,462	1,259	2,950	1,100	-	80,517
Capital outlay	46,756	1,736	-	-	12,254	43,345	17,071	336,159
Office supplies and equipment	-	509	130	2,771	3,967	296	520	24,198
Fundraising expense	-	6,239	-	-	-	-	-	21,204
Grant expense	-	-	-	-	14,431	-	-	171,379
Fire fighting supplies and equipment	-	-	8,401	4,168	4,351	5,157	24,358	156,098
Dive supplies	-	-	-	-	-	-	-	-

(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, 2006

	Joanna	Mountville	Reno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
EXPENDITURES, Continued								
Contingency	-	-	-	-	-	-	-	1,530
Debt service	-	-	-	-	-	-	-	158,797
Principal	-	-	-	-	-	-	-	42,119
Interest	79,289	17,660	26,419	33,545	64,574	78,550	70,292	1,432,140
Total expenditures	(60,513)	(8,355)	(24,837)	(30,429)	(51,549)	(68,296)	(68,082)	(619,685)
Excess (deficiency) of revenues over expenditures	63,785	18,650	25,975	42,593	47,485	46,400	62,350	632,553
OTHER FINANCING SOURCES								
Operating transfers in	63,785	18,650	25,975	42,593	47,485	46,400	62,350	632,553
Total other financing sources (uses)	3,272	10,295	1,138	12,164	(4,064)	(21,896)	(5,732)	12,868
Net change in fund balance	44,967	58,841	37,069	24,671	92,917	94,309	25,978	1,561,642
FUND BALANCES, BEGINNING OF YEAR								
FUND BALANCES, END OF YEAR	\$ 48,239	\$ 69,136	\$ 38,207	\$ 36,835	\$ 88,853	\$ 72,413	\$ 20,246	\$ 1,574,510

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
June 30, 2006

	<u>Special Source Revenue Bond</u>	<u>Water & Sewer Anticipation Bond</u>	<u>General Obligation bond</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 226,436	\$ 711,718	\$ 938,154
Property taxes receivable	-	-	100,177	100,177
Total assets	<u>\$ -</u>	<u>\$ 226,436</u>	<u>\$ 811,895</u>	<u>\$ 1,038,331</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Deferred revenue	\$ -	-	\$ 95,647	\$ 95,647
Total liabilities	-	-	95,647	95,647
Fund balances				
Reserved for:				
Debt service	-	226,436	716,248	942,684
Total fund balances	-	226,436	716,248	942,684
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 226,436</u>	<u>\$ 811,895</u>	<u>\$ 1,038,331</u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2006

	Special Source Revenue Bond	Water & Sewer Anticipation Bond	General Obligation bond	Total
REVENUES				
Property taxes	\$ -	\$ 311,752	\$ 1,329,664	\$ 1,641,416
Fee in lieu of taxes	383,236	25,676	-	408,912
Interest	-	-	25,473	25,473
Total revenues	<u>383,236</u>	<u>337,428</u>	<u>1,355,137</u>	<u>2,075,801</u>
EXPENDITURES				
Debt service				
Principal retirement	179,000	-	1,129,072	1,308,072
Interest and fiscal charges	<u>204,236</u>	<u>110,992</u>	<u>261,247</u>	<u>576,475</u>
Total expenditures	<u>383,236</u>	<u>110,992</u>	<u>1,390,319</u>	<u>1,884,547</u>
Net change in fund balances	-	226,436	(35,182)	191,254
Fund balances, beginning of the year	-	-	751,430	751,430
Fund balances, end of the year	<u>\$ -</u>	<u>\$ 226,436</u>	<u>\$ 716,248</u>	<u>\$ 942,684</u>

LAURENS COUNTY, SOUTH CAROLINA
FINES AND ASSESSMENTS
For the year ended June 30, 2006

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines Collected	\$ 726,730	\$ 520,340	\$ -
Assessments from general sessions	83,668	304,340	-
Surcharges collected	<u>593,831</u>	<u>91,749</u>	<u>-</u>
 Total fines, assessments, and surcharges collected	 <u>\$ 1,404,229</u>	 <u>\$ 916,429</u>	 <u>\$ -</u>
 Fines collected for County Treasurer	 -	 520,340	 -
Assessments collected for County Treasurer	70,815	57,621	-
Surcharges collected for County Treasurer	<u>575,666</u>	<u>24,933</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for County Treasurer	 <u>\$ 646,481</u>	 <u>\$ 602,894</u>	 <u>\$ -</u>
 Fines collected for State Treasurer	 726,730	 -	 -
Assessments collected for State Treasurer	12,853	246,719	-
Surcharges collected for State Treasurer	<u>18,165</u>	<u>66,816</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for State Treasurer	 <u>\$ 757,748</u>	 <u>\$ 313,535</u>	 <u>\$ -</u>

**INDEPENDENT AUDITORS' 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 governmental activities, each major fund, and the aggregate remaining fund information of the County of Laurens as of and for the year ended June 30, 2006, and have issued our report thereon dated December 10, 2006. 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 2006-1 through 2006-3.

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.

December 10, 2006

Eurotek Davis LLC

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

Laurens County Council
County of Laurens
Laurens, South Carolina

Compliance

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

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

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

Internal control over compliance

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

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

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

December 10, 2006

ELBERT DAVIS LLC

LAURENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2006

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through State Department of Commerce				
Neighborhood Revitalization	14.228	4L01038 / 4L1039	\$ 500,000	\$ 61,153
Cheek Circle Waterline	14.228	4-CI-05-005	166,759	<u>142,574</u>
				<u>\$ 203,727</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
HMEP Planning	20.703	HMESC5042130	\$ 4,046	\$ 4,046
Airport Improvement Program	20.106			<u>401,070</u>
				<u>\$ 405,116</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through South Carolina Department of Social Services				
Child Support Enforcement - Family Court	93.563	G-05SC4004		\$ 112,541
Child Support Enforcement IV-D Incentive Payments	93.563	G-05SC4004		29,519
County Department of Social Services Administrative Expense	93.563	VARIOUS		44,695
Sheriff's Department Unit Cost Reimbursement	93.563	G-05SC4004		<u>12,408</u>
				<u>\$ 199,163</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed through the Office of the Justice Program				
Local Law Enforcement Block Grant Program	16.575		-	\$ 42,314
Local Law Enforcement Block Grant Program	16.575		-	<u>12,483</u>
				<u>\$ 54,797</u>

LAURENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2006

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
<u>U. S. HOMELAND SECURITY ADMINISTRATION</u>				
Passed through S C Law Enforcement Division:				
Supplemental State Homeland Security Grant	97.067	5SHSP30	162,087	\$ 134,194
Law Enforcement Terrorism Prevention	97.067	5LETP30	46,094	46,094
Local Emergency Management Performance	97.042	6EMPG01	19,630	19,630
				<u>\$ 199,918</u>

FEDERAL EMERGENCY MANAGEMENT AGENCY
 Passed through the Office of the Adjutant General:

				\$ 24,806
				<u>\$ 24,806</u>
Total federal assistance expended				<u>\$ 1,087,527</u>

*LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2006*

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Laurens County, South Carolina.
2. Three reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Laurens County, South Carolina were disclosed during the audit.
4. There were no reportable conditions relating to the audit of the major federal award programs reported in the schedule of findings and questioned costs.
5. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Laurens County are reported in Part C of this schedule.
7. The following programs were considered to be major programs:

Homeland Security	CFDA	97.067
Department of Transportation Airport Improvement	CFDA	20.106

8. The threshold used for distinguishing between type A and B programs was \$300,000.
9. County of Laurens does not qualify as a low risk auditee.

B. FINDING - FINANCIAL STATEMENTS AUDIT

Item 2006-1: 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 2006-2: 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.

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2006

B. FINDING - FINANCIAL STATEMENTS AUDIT, Continued

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 2006-3: "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.

C. FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

LAURENS COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2006

FINDINGS - FINANCIAL STATEMENTS AUDIT

Accounting Personnel (Finding Number 2005-1)

Condition and Criteria

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

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

Current status

The recommendation was not put into place during the fiscal year ended June 30, 2006. A similar finding is noted in the audit for the year ended June 30, 2006.

Reconciling General Ledger Accounts (Finding Number 2005-2)

Condition and Criteria

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 recommended 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.

Current status

The recommendation was not put into place during the fiscal year ended June 30, 2006. A similar finding is noted in the audit for the year ended June 30, 2006.

Fund Balance General Ledger Accounts (Finding Number 2005-3)

Condition and Criteria

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

Current status

The recommendation was put into place during the fiscal year ended June 30, 2006. No similar findings were noted in the audit for the year ended June 30, 2006.

(Continued)