

**LAURENS COUNTY,  
SOUTH CAROLINA**

**REPORT ON FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

*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, South Carolina as of and for the year ended June 30, 2007 which collectively comprise the County's basis financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements do not include financial data for the County's legally separate discretely presented component units. Accounting principles generally accepted in the United States of America require the financial data for these discretely presented component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the discretely presented component units would have been presented as \$107,649,495, \$69,616,794, \$38,032,701, \$81,688,865, and \$78,783,077.

In our opinion, because of the omission of the discretely presented component units as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the discretely presented component units of Laurens County, South Carolina as of June 30, 2007, or the changes in financial position thereof for the year then ended.

In addition, in our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Laurens County, South Carolina as of June 30, 2007, 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 March 10, 2008 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements of Laurens County, South Carolina. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Laurens County, South Carolina. The combining and individual non-major fund financial statement and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina  
March 10, 2008

*Elisbeth 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, 2007. 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, 2007 by \$82.5 million (net assets). Of this amount \$5.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County repaid \$2 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was increased by \$3.0 million.
- The general fund actual revenues were \$3.5 million greater than budgeted and general fund expenditures were \$804 thousand less than budgeted.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

	<u>Fund Statements</u>		
	<u>Government-wide 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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	

### GOVERNMENT-WIDE STATEMENTS

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

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

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

## FUND FINANCIAL STATEMENTS

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

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

The County has two kinds of funds:

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

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Net assets

The County's combined net assets increased 3.9 million or 5.0% between fiscal years 2006 and 2007. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2006	2007	2006-2007
Current and other assets	\$ 22,507	\$ 40,295	79.0%
Capital assets	87,534	83,784	-4.3%
Total assets	110,041	124,079	12.8%
Long-term debt outstanding	12,458	7,434	-40.3%
Other liabilities	18,988	34,147	79.8%
Total liabilities	31,446	41,581	32.2%
Net assets			
Invested in capital assets, net of related debt	75,880	76,772	1.2%
Restricted	943	567	-39.9%
Unrestricted	1,759	5,160	193.3%
Total net assets	\$ 78,582	\$ 82,499	5.0%

Net unrestricted assets of our governmental activities increased by \$3.4 million. Capital assets of \$1.4 million were acquired while depreciation expense on existing capital assets totaled \$4.5 million.

**Changes in net assets.** The County's total revenues increased by 12.8 percent to \$32.4 million. (See Table A-2.) 57 percent of the County's revenue comes from property taxes. Approximately 21 percent comes from fees charged for services, fines and fees and 21 percent is from state and federal aid.

The total cost of all programs and services decreased approximately \$368 thousand or 1.2 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 12.8 percent, while total expenses decreased 1.2 percent.

	Governmental Activities		Total Percentage Change
	2006	2007	2006-2007
<b>Revenues</b>			
Program Revenues			
Charges for services	\$ 6,327	\$ 6,742	6.6%
Operating grants and contributions	739	556	-24.8%
Capital grants and contributions	1,411	2,711	92.1%
General Revenues			
Property taxes	16,318	18,457	13.1%
Other taxes	79	67	-15.2%
Intergovernmental	3,654	3,606	-1.3%
Other	206	268	30.1%
<b>Total revenues</b>	<b>28,734</b>	<b>32,407</b>	<b>12.8%</b>
<b>Expenses</b>			
General government	9,329	9,988	7.1%
Public safety	11,276	11,590	2.8%
Public works	8,463	6,889	-18.6%
Health and welfare	175	245	40.0%
Culture and recreation	694	724	4.3%
Intergovernmental and private nonprofit	399	380	-4.8%
Economic development	-	439	100.0%
Miscellaneous	393	497	26.5%
Interest and fiscal charges	712	321	-54.9%
<b>Total expenses</b>	<b>31,441</b>	<b>31,073</b>	<b>-1.2%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (2,707)</b>	<b>\$ 1,334</b>	<b>-149.3%</b>

Total revenues were \$3.7 million greater than the prior year. Property taxes collected were \$2.1 million greater than the prior year. Charges for services and fines and fees were \$415 thousand greater than the prior year. In addition, intergovernmental revenues including grants were \$1.1 million greater less than the prior year. In addition, expenses were \$322 thousand greater than the prior year.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$5.3 million which is an improvement compared to the prior year.

### General Fund Budgetary Highlights

Actual general fund expenditures were \$804 thousand less than budget amounts. This is primarily the result of a favorable worker's compensation audit which reduced our premium rates and the delay of the reassessment of property.

The resources available for appropriation were \$3.5 million greater than the budgeted amount. This is primarily related to the increase of property tax revenues due to the increase in the millage rate.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2007, the County had invested \$83.8 million in a broad range of capital assets. (See Table A-3.) This amount represents a net increase before depreciation (including additions and deductions) of \$1.4 million. However, after depreciation capital assets decreased \$3.1 million or 3.5 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
	2006, Restated	2007	2006-2007
Land	\$ 832	\$ 832	0.0%
Construction in progress	492	689	40.0%
Buildings and improvements	18,680	18,680	0.0%
Furniture, fixtures and equipme	9,652	10,370	7.4%
Infrastructure	106,028	106,543	0.5%
Accumulated depreciation	(48,820)	(53,330)	9.2%
Total net assets	<u>\$ 86,864</u>	<u>\$ 83,784</u>	<u>-3.5%</u>

This year's major capital asset additions included:

- \$515 thousand in infrastructure improvements which includes the reclassification of \$496 thousand construction in progress to infrastructure.
- 689 thousand in construction in progress for Old Laurens Road project.
- \$718 thousand in equipment additions.

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

## Long-term Debt

At year-end the County had \$7 million in bonds and capital lease obligations outstanding - a decrease of 16.6 percent over last year - as shown in Table A-4. More detailed information about the County's long-term debt is presented in Note 10 to the financial statements.

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

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

	Governmental Activities		Total Percentage Change 2006-2007
	2006, Restated	2007	
General obligation bonds	\$ 4,307	\$ 3,289	-23.6%
Revenue bonds	804	540	-32.8%
Special source bonds	2,321	2,045	-11.9%
Capital lease obligations	975	1,139	16.8%
Total	<u>\$ 8,407</u>	<u>\$ 7,013</u>	-16.6%

This year's major outstanding debt changes included:

- \$614 thousand in capital lease agreements.
- \$1.6 million in bond, note and lease repayments.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 7.3 percent versus 6.8 percent a year ago. This compares unfavorably with the state's rate of 5.9 percent and the national rate of 4.7 percent.

These indicators were taken into account when adopting the general fund budget for 2008. The general "operating" fund budget for 2008 is \$16,280,892, an increase of 3 percent over the final budget of \$16,072,563. This is due to the minimal cost of living raise for employees.

The County employees received a 3 percent 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 percent based upon service with the County). Capital expenditures approved in the fiscal year 2008 capital budget were \$981,200. This will be funded using 29 percent of the Local Option Sales Tax revenues and an additional 2 mils of tax revenue. The County has added no major new programs or initiatives to the 2008 budget.

With the approval of the 2008 budget the County should continue to move in a positive direction. The 2008 budget was prepared with the initiative of adequately funding departments which in recent years have completed the fiscal year with a deficit. County Council recommended the County establish a goal of preparing a budget that will support the County's goal of establishing reserves to build a solid financial structure for future growth of County Services provided to its citizens.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

**LAURENS COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 36,460,648
Investments	336,520
Receivables:	
Taxes - Net	1,151,376
Other	220,626
Due from other governments	2,126,085
Capital assets:	
Land	832,504
Construction in progress	689,837
Buildings and improvements	18,680,506
Vehicles and equipment	10,369,673
Infrastructure assets	106,542,588
Less accumulated depreciation	(53,330,315)
Total capital assets, net of depreciation	83,784,793
Total assets	124,080,048
 <b>LIABILITIES</b>	
Accounts payable	969,020
Due to other governmental units	32,622,753
Accrued wages and benefits	414,338
Accrued interest payable	140,661
Long-term liabilities:	
Due within one year	1,868,816
Due in more than one year	5,565,296
Total liabilities	41,580,884
 <b>NET ASSETS</b>	
Invested in capital assets net of related debt	76,771,751
Restricted for:	
Debt service	567,089
Unrestricted	5,160,324
Total net assets	<b>\$ 82,499,164</b>

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, 2007

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services, fines and fees	Operating Grants and Contributions		
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental activities</b>					
General government	\$ 9,988,280	\$ 1,456,885	\$ 404,271	\$ 425,550	\$ (7,701,574)
Public safety	11,590,099	2,550,592	151,944	-	(8,887,563)
Public works	6,889,475	2,483,403	-	2,285,199	(2,120,873)
Health and welfare	245,096	-	-	-	(245,096)
Culture and recreation	724,169	-	-	-	(724,169)
Intergovernmental and private nonprofit	379,889	-	-	-	(379,889)
Economic development	438,847	-	-	-	(438,847)
Miscellaneous	497,464	251,216	-	-	(246,248)
Interest and fiscal charges	320,816	-	-	-	(320,816)
Total governmental activities	31,074,135	6,742,096	556,215	2,710,749	(21,065,075)

GENERAL REVENUES

Property taxes levied for:

General purposes	14,541,624
Special purpose	2,480,436
Debt service	1,435,061
Accommodations tax	66,954
Interest and investment income	134,014
Intergovernmental	3,606,458
Miscellaneous	134,536
Total general revenues	22,399,083
Change in net assets	1,334,008
Net assets beginning of year, as originally reported	78,582,503
Prior period adjustment	2,582,653
Net assets beginning of year, as restated	81,165,156
Net assets end of year	\$ 82,499,164

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

**LAURENS COUNTY, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

	<u>General</u>	<u>Rural Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 27,593,636	\$ 5,145,607	\$ 3,721,405	\$ 36,460,648
Investments	336,520	-	-	336,520
Property taxes receivable - Net	845,925	155,408	150,043	1,151,376
Accounts receivable	220,626	-	-	220,626
Due from other governments	2,126,085	-	-	2,126,085
Due from other funds	<u>6,679,431</u>	<u>-</u>	<u>-</u>	<u>6,679,431</u>
 Total assets	 <u>\$ 37,802,223</u>	 <u>\$ 5,301,015</u>	 <u>\$ 3,871,448</u>	 <u>\$ 46,974,686</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 926,150	\$ 42,870	\$ -	\$ 969,020
Deferred revenue	753,219	134,239	135,934	1,023,392
Accrued wages and benefits	414,338	-	-	414,338
Due to other funds	-	5,108,894	1,570,537	6,679,431
Due to other local governments	<u>32,622,753</u>	<u>-</u>	<u>-</u>	<u>32,622,753</u>
 Total liabilities	 <u>34,716,460</u>	 <u>5,286,003</u>	 <u>1,706,471</u>	 <u>41,708,934</u>
<b>FUND BALANCES</b>				
Reserved for:				
Debt service	-	-	567,089	567,089
Capital outlay	879,299	-	-	879,299
Unreserved:				
Designated - General fund	176,606	10,481	-	187,087
Undesignated reported in:				
General fund	2,029,858	-	-	2,029,858
Special revenue fund	<u>-</u>	<u>4,531</u>	<u>1,597,888</u>	<u>1,602,419</u>
 Total fund balances	 <u>3,085,763</u>	 <u>15,012</u>	 <u>2,164,977</u>	 <u>5,265,752</u>
 Total liabilities and fund balances	 <u>\$ 37,802,223</u>	 <u>\$ 5,301,015</u>	 <u>\$ 3,871,448</u>	 <u>\$ 46,974,686</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, 2007**

Total fund balances - Governmental funds	\$ 5,265,752
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	689,837
Buildings and improvements	18,680,506
Vehicles and equipment	10,369,673
Infrastructure	106,542,588
Accumulated depreciation	<u>(53,330,315)</u>
Total capital assets	<u>83,784,793</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	1,023,392
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	(3,289,223)
Special source revenue bond	(2,045,000)
Revenue notes payable	(540,047)
Capital leases payable	(1,138,772)
Accrued interest	(140,661)
Compensated absences	<u>(421,070)</u>
Total long-term liabilities	<u>(7,574,773)</u>
Net assets of governmental activities	<u>\$ 82,499,164</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, 2007**

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 14,424,374	\$ 2,030,359	\$ 1,885,137	\$ 18,339,870
Licenses and permits	476,368	-	-	476,368
Intergovernmental revenue	6,496,294	-	-	6,496,294
Charges for services	6,003,392	-	-	6,003,392
Interest and investment income	99,324	-	34,691	134,015
Miscellaneous revenue	324,140	-	516,814	840,954
Total revenues	<u>27,823,892</u>	<u>2,030,359</u>	<u>2,436,642</u>	<u>32,290,893</u>
<b>EXPENDITURES</b>				
General government	9,970,066	-	-	9,970,066
Public safety	9,771,249	1,316,984	854,449	11,942,682
Public works	4,062,179	-	-	4,062,179
Health and welfare	109,781	-	-	109,781
Culture and recreation	679,064	-	-	679,064
Intergovernmental and private non-profit	379,889	-	-	379,889
Economic development	-	-	438,847	438,847
Miscellaneous	497,467	-	-	497,467
Debt service:				
Principal retirement	-	93,029	1,465,313	1,558,342
Interest and fiscal charges	-	10,611	349,500	360,111
Total expenditures	<u>25,469,695</u>	<u>1,420,624</u>	<u>3,108,109</u>	<u>29,998,428</u>
Excess of revenues over (under) expenditures	<u>2,354,197</u>	<u>609,735</u>	<u>(671,467)</u>	<u>2,292,465</u>
Other financing sources (uses):				
Capital lease agreements	614,450	-	-	614,450
Transfers in	-	-	545,686	545,686
Transfers out	-	(545,686)	-	(545,686)
Total other financing sources (uses)	<u>614,450</u>	<u>(545,686)</u>	<u>545,686</u>	<u>614,450</u>
Net change in fund balances	<u>2,968,647</u>	<u>64,049</u>	<u>(125,781)</u>	<u>2,906,915</u>
Fund balances (deficit), beginning of year,				
as originally reported	770,718	(49,037)	2,517,194	3,238,875
Prior period adjustment	(653,602)	-	(226,436)	(880,038)
Fund balances (deficit), beginning of year, as restated	<u>117,116</u>	<u>(49,037)</u>	<u>2,290,758</u>	<u>2,358,837</u>
Fund balances, end of year	<u>\$ 3,085,763</u>	<u>\$ 15,012</u>	<u>\$ 2,164,977</u>	<u>\$ 5,265,752</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, 2007*

Net change in fund balances - Total government funds	\$ 2,906,915
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	1,430,585
Depreciation expense	<u>(4,510,517)</u>
Excess of depreciation expense over capital outlay	<u>(3,079,932)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues increased by this amount this year.	
	<u>117,249</u>
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:	
Capital lease proceeds, gross	<u>(614,450)</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	1,017,772
Special source principal retirement	276,000
Revenue notes payable	264,570
Capital lease payments	<u>451,616</u>
Total long-term debt repayment	<u>2,009,958</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>(45,032)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
	<u>39,300</u>
Change in net assets of government activities	<u>\$ 1,334,008</u>

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

**LAURENS COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2007**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 925,949
Due from other funds	32,622,753
Property taxes receivable	<u>2,515,789</u>
Total assets	<u>\$ 36,064,491</u>

<b>LIABILITIES</b>	
Accounts payable	925,949
Due to other taxing districts and agencies	<u>35,138,542</u>
Total liabilities	<u>\$ 36,064,491</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.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**BASIS OF PRESENTATION**

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

**Government-wide financial statements**

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

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

**Fund financial statements**

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

**Measurement focus, basis of accounting, and financial statement presentation**

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

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

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

**Special revenue funds**

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

**Debt service fund**

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

**Agency funds**

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

**MEASUREMENT FOCUS**

**Government-wide financial statements**

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

**Fund financial statements**

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

Fiduciary funds are reported using the economic resources measurement focus.

(Continued)

**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.

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

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

**Compensated absences**

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

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

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

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

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

**Net assets**

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

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

**Revenues - exchange and non-exchange transactions**

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

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

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

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Deferred revenue**

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

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

**Interfund transactions**

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

All other interfund transfers are reported as 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.

**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, 2007, the carrying amount of the County deposits was \$6,908,736 and the bank balance was \$7,421,541. 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, 2007 was \$260,863.

**Investments**

As of June 30, 2007, the County had the following investments:

Investment Type	Fair Value	Investment maturities (in years)			No maturity
		Less than 1	1-5	6-10	
U S Government Agency Obligations	\$ 324,957	\$ -	\$ 195,180	\$ 129,777	\$ -
Investment in mutual fund	11,563	-	-	-	11,563
Total investments	336,520	-	195,180	129,777	11,563
South Carolina local government investment pool	30,216,998	-	-	-	30,216,998
	<u>\$ 30,553,518</u>	<u>\$ -</u>	<u>\$ 195,180</u>	<u>\$ 129,777</u>	<u>\$ 30,228,561</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, 2007, 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.

(Continued)

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

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

Reported value of deposits	\$ 6,908,736
Fair value of investments	30,553,518
Cash on hand	<u>260,863</u>
	<b><u>\$ 37,723,117</u></b>
Cash and cash equivalents -- Exhibit 3	\$ 36,460,648
Investments -- Exhibit 3	336,520
Cash and cash equivalents -- Exhibit 7	<u>925,949</u>
	<b><u>\$ 37,723,117</u></b>

**NOTE 4 - PROPERTY TAXES**

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

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

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

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

Also, the County collects taxes for surrounding municipalities. The amount collected but not remitted at June 30, 2007, was \$35,684 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2007.

Property tax receivables and allowances by major and other governmental funds as of June 30, 2007 were as follows:

	<u>General</u>	<u>Rural fire</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Property taxes receivable	\$ 863,189	\$ 158,580	\$ 153,105	\$ 1,174,874
Less: Allowance	<u>17,264</u>	<u>3,172</u>	<u>3,062</u>	<u>23,498</u>
Net taxes receivable	<b><u>\$ 845,925</u></b>	<b><u>\$ 155,408</u></b>	<b><u>\$ 150,043</u></b>	<b><u>\$ 1,151,376</u></b>

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, 2007 was as follows:

	<u>Beginning Balance, As Restated</u>	<u>Increases</u>	<u>Decreases / (Transfers)</u>	<u>Balance June 30, 2007</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 832,504	\$ -	\$ -	\$ 832,504
Construction in progress	492,438	693,258	(495,859)	689,837
Total capital assets at historical cost not being depreciated	<u>1,324,942</u>	<u>693,258</u>	<u>(495,859)</u>	<u>832,504</u>
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	9,651,351	718,322	-	10,369,673
Infrastructure	106,027,724	19,005	495,859	106,542,588
Total capital assets at historical cost being depreciated	<u>134,359,581</u>	<u>737,327</u>	<u>495,859</u>	<u>135,592,767</u>
Less accumulated depreciation for:				
Buildings	(4,434,615)	(372,838)	-	(4,807,453)
Vehicles and equipment	(4,712,564)	(681,231)	-	(5,393,795)
Infrastructure	(39,672,619)	(3,456,448)	-	(43,129,067)
Total accumulated depreciation	<u>(48,819,798)</u>	<u>(4,510,517)</u>	<u>-</u>	<u>(53,330,315)</u>
Total capital assets being depreciated, net	<u>85,539,783</u>	<u>(3,773,190)</u>	<u>495,859</u>	<u>82,262,452</u>
Governmental activities capital assets, net	<u>86,864,725</u>	<u>\$ (3,079,932)</u>	<u>\$ -</u>	<u>\$ 83,784,793</u>

Depreciation expense was charged to the following function:

General Government	\$ 90,212
Public Safety	586,367
Public Works	3,653,518
Health and Welfare	135,315
Culture and Recreation	<u>45,105</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,510,517</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, 2007 and 2006, salaries of \$9,020,824 and \$8,881,797 were paid by the County, respectively. Of that amount, \$3,307,610 and 3,346,076, respectively were covered under the PORS and \$5,713,214 and \$5,535,721, respectively were covered under the SCRS.

(Continued)

**NOTE 6 - RETIREMENT PLANS, Continued**

Funding Policy - South Carolina Retirement System (SCRS) Plan members are required to contribute 6.50% of their annual covered salary for the year ended June 30, 2007 (6.25% for the year ended June 30, 2006 and 6.0% for the year ended June 30, 2005). During the fiscal year ended June 30, 2007, 2006 and 2005, the County contributed at an actuarially determined rate of 8.05%, 7.55% and 6.7% of annual payroll, respectively. In addition, the County contributes .15% of payroll to provide group life insurance benefits. Police Officers Retirement System (PORS) - Participating employees contribute 6.5% of their annual covered payroll. The County contributes at an actuarially determined rate of 10.3% of annual payroll plus an additional .2% of payroll to provide group life insurance and accidental death.

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

	<u>Employee Amount</u>	<u>Contributions % of Wages</u>	<u>Employer Amount</u>	<u>Contributions % of Wages</u>	<u>Total</u>
<b>SCRS</b>					
June 30, 2007	\$ 359,584	6.50%	\$ 468,484	8.05%	\$ 828,068
June 30, 2006	345,047	6.25%	430,043	7.55%	775,090
June 30, 2005	286,770	6.00%	327,439	6.70%	614,209
<b>PORS</b>					
June 30, 2007	\$ 214,996	6.50%	\$ 353,914	10.50%	\$ 568,910
June 30, 2006	216,604	6.50%	358,199	10.50%	574,803
June 30, 2005	173,317	6.50%	267,973	10.50%	441,290

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

**NOTE 7 - DEFERRED COMPENSATION PLANS**

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

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, 2007:

Machinery and equipment	\$ 1,867,435
Less: Accumulated Depreciation	281,098
	<u>\$ 1,586,337</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, 2007:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>	<u>Operating lease payments</u>
2008	\$ 439,116	\$ 35,850
2009	274,862	1,080
2010	274,863	720
2011	249,857	-
2012	-	-
Total minimum lease payments	1,238,698	37,650
Less: Amount representing interest	99,926	-
Present value of future minimum lease payments	<u>\$ 1,138,772</u>	<u>\$ 37,650</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, 2007 taxable assessed property valuation net of exemptions of \$145,221,870 (unaudited), the legal debt limit is \$11,617,750, leaving a legal debt margin as of June 30, 2007 of \$5,743,480.

(Continued)

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

General obligation bonds are payable from the debt service funds. General obligation (general purpose) bonds at June 30, 2007 are comprised of the following individual issues:

	Balance 6/30/2006, As Restated	Additions	Reductions	Balance June 30, 2007	Amounts due within one year
<b>General obligation bonds</b>					
\$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	\$ -	\$ 425,000	\$ 925,000	\$ 450,000
\$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	-	275,000	1,900,000	275,000
\$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	-	101,504	464,223	107,016
\$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	-	216,268	-	-
<b>Total general obligation bonds</b>	<b>4,306,995</b>	<b>-</b>	<b>1,017,772</b>	<b>3,289,223</b>	<b>832,016</b>
<b>Special source revenue bonds</b>					
\$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	-	276,000	2,045,000	271,000
<b>Revenue Notes Payable</b>					
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	-	264,570	540,047	170,134
	<b>\$ 7,432,612</b>	<b>\$ -</b>	<b>\$ 1,558,342</b>	<b>\$ 5,874,270</b>	<b>\$ 1,273,150</b>

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

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

(Continued)

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2007 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 832,016	\$ 88,582	\$ 920,598
2009	887,826	64,115	951,941
2010	418,953	38,113	457,066
2011	450,428	26,029	476,457
2012	325,000	13,125	338,125
2013-2017	375,000	7,031	382,031
	<u>\$ 3,289,223</u>	<u>\$ 236,995</u>	<u>\$ 3,526,218</u>

Available in the debt service fund is \$416,024 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2007 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	248,000	42,245	290,245
2013-2017	746,000	64,407	810,407
	<u>\$ 2,045,000</u>	<u>\$ 386,090</u>	<u>\$ 2,431,090</u>

The annual requirements to amortize all revenue notes payable outstanding as of June 30, 2007 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 170,134	\$ 30,782	\$ 200,916
2009	179,831	21,085	200,916
2010	190,082	10,835	200,917
	<u>\$ 540,047</u>	<u>\$ 62,702</u>	<u>\$ 602,749</u>

(Continued)

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

**Changes in long-term liabilities**

A summary of changes in long-term debt follows:

	Estimated long term liability for annual leave	Lease obligations	Bonds		Revenue notes	Total
			Special source	General obligation		
Payable at July 1, 2006	\$ 376,038	\$ 975,938	\$ 2,321,000	\$ 4,306,995	\$ 804,617	\$ 8,784,588
Amounts incurred	63,691	614,450	-	-	-	678,141
Amounts retired	(18,659)	(451,616)	(276,000)	(1,017,772)	(264,570)	(2,028,617)
Payable at June 30, 2007	<u>\$ 421,070</u>	<u>\$ 1,138,772</u>	<u>\$ 2,045,000</u>	<u>\$ 3,289,223</u>	<u>\$ 540,047</u>	<u>\$ 7,434,112</u>
Amounts due within one year	<u>\$ 200,000</u>	<u>\$ 395,666</u>	<u>\$ 271,000</u>	<u>\$ 832,016</u>	<u>\$ 170,134</u>	<u>\$ 1,868,816</u>

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

The balances of interfund receivables and payables at June 30, 2007, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Rural Fire	\$ 5,108,894
General Fund	Nonmajor Governmental - Fire Coordinator	1,542,922
General Fund	Nonmajor Governmental - Fire Department Debt Service	27,615
		<u>\$ 6,679,431</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.

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, 2007 consisted of the following individual amounts:

(Continued)

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

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Special Revenue Funds - Rural Fire Departments:		
Gray Court	Rural Fire	\$ 64,950
Cross Hill	Rural Fire	46,553
Durbin Creek	Rural Fire	40,300
Ekorn	Rural Fire	29,155
Green Pond	Rural Fire	40,795
Hickory Tavern	Rural Fire	50,657
Joanna	Rural Fire	50,250
Mountville	Rural Fire	32,631
Renno	Rural Fire	27,560
Sandy Springs	Rural Fire	32,750
Waterloo	Rural Fire	45,135
Western Laurens	Rural Fire	44,350
Young's	Rural Fire	40,600
		<u>\$ 545,686</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 - RESERVATIONS AND DESIGNATIONS OF FUND EQUITY**

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

<u>Balance of designations:</u>	<u>General Fund</u>
Child Support Enforcement	\$ 7,821
Insurance Claims	18,848
Training Equipment - Fire	9,088
Equipment - Fire	10,829
Contingency - Fire	5,410
DSS	40,000
Smith Data Contracts	42,828
Drug Enforcement - Federal	356
Drug Enforcement - State	39,097
DARE	2,329
	<u>\$ 176,606</u>

(Continued)

**NOTE 12 - RESERVATIONS AND DESIGNATIONS OF FUND EQUITY, Continued**

<u>Balance of designations:</u>	<u>Rural Fire</u>
Equipment Maintenance – Rural Fire	\$ 2,137
Uniforms	1,815
Firefighter Equipment	<u>6,529</u>
	<u>\$ 10,481</u>

**NOTE 13 - LITIGATION**

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

**NOTE 14 - CONTINGENT LIABILITIES**

The County participates in a number of federal and state assisted grant programs. These programs are subject to compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2007 have not yet been conducted; therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

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

As of June 30, 2007, the Health Care System's obligations on the two bonds the County guarantees totaled \$10,075,000. The County provides a subsidy of \$431,386 per year to the Health Care System which is funded by a tax levy. The Health Care System places funds for its next year's debt payments related to these two bond issues with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Health Care Bond Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

As of June 30, 2007, the Water and Sewer Commission's obligations on the one bond the County guarantees totaled \$4,375,000. The County provides a subsidy of \$472,000 per year to the Water and Sewer Commission which is funded by a tax levy. The Water and Sewer Commission places funds for its next year's debt payments related to their bond issue with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Water and Sewer Commission Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

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

**NOTE 15 – PRIOR PERIOD ADJUSTMENT**

During years 2005 through 2006, the County overstated long-term debt for the 2005 General Obligation Bond of \$4,050,000 and the related accrued interest. At that time, it was believed such debt was deemed a liability of Laurens County and should be reported on the Government Wide Financial Statements. The debt was and is the liability of the Laurens County Water and Sewer Commission. The debt is a contingent liability due to the County’s guarantee of repayment of the debt. A prior period adjustment was made to the Government Wide Financial Statements to reduce liability at June 30, 2006 for the debt of \$4,050,000 and accrued interest of \$82,365. A prior period adjustment was made to reduce the fund balances to the Government Fund Financial Statements for the general fund balance of unspent bond proceeds for \$653,602 and the Water and Sewer Anticipation Bond – Nonmajor Debt Service Fund fund balance for \$226,436.

During the year 2006, the County’s depreciation calculation was in error. Vehicles and equipment was under-depreciated by \$669,674. A prior period adjustment was made to correct the error by increasing accumulated depreciation for vehicles and equipment by \$669,674.

	<u>Financial Statements</u>		<u>Financial Statements</u>			
	<u>Government</u>		<u>Governmental Funds</u>			
	<u>Wide</u>	<u>Governmental</u>	<u>General</u>	<u>Non-Major</u>		
Net assets, beginning of year, as originally reported	\$	78,582,503	\$	770,718	\$	2,517,194
<u>Prior period adjustment:</u>						
2005 General Obligation Bond should not be included as debt liability at June 30, 2006		4,050,000		-		-
2005 General Obligation Bond should not be included as part of accrued interest liability at June 30, 2006.		82,365		-		-
2005 General Obligation Bond proceeds fund balance originally recorded as part of general fund is properly recorded as due to other local governments.		(653,602)		(653,602)		-
General Obligation Bond debt service fund balance originally recorded as part of the nonmajor debt service fund is properly recorded as due to other local governments.		(226,436)		-		(226,436)
Depreciation expense calculation error.		(669,674)		-		-
Prior period adjustment		<u>2,582,653</u>		<u>(653,602)</u>		<u>(226,436)</u>
Net assets, beginning of year, as restated	<u>\$</u>	<u>81,165,156</u>	<u>\$</u>	<u>117,116</u>	<u>\$</u>	<u>2,290,758</u>

**NOTE 16 - 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 17 - 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, 2007, \$23,199 in claims were paid and were reported in the general fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

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

**NOTE 18 – SUBSEQUENT EVENT**

Subsequent to June 30, 2007, Laurens County was in process of obtaining capital lease financing to purchase fifteen new vehicles for County use. The estimated amount to be financed is approximately \$380,000. Capital lease payment will be set at a three year repayment term with estimated payment of \$140,000 annually.

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>TAXES</b>				
Property taxes and current penalties	\$ 7,606,500	\$ 7,606,500	\$ 11,131,647	\$ 3,525,147
	<u>7,606,500</u>	<u>7,606,500</u>	<u>11,131,647</u>	<u>3,525,147</u>
<b>LICENSES AND PERMITS</b>				
Utility franchise fee	125,000	125,000	163,343	38,343
Building permits	250,000	250,000	218,910	(31,090)
Mobile home licenses	87,500	87,500	92,490	4,990
Septic tank fee	2,000	2,000	1,625	(375)
	<u>464,500</u>	<u>464,500</u>	<u>476,368</u>	<u>11,868</u>
<b>INTERGOVERNMENTAL REVENUE</b>				
Aid to subdivisions	3,582,528	3,582,528	3,515,195	(67,333)
Veterans Service Office	7,000	7,000	7,071	71
National Forest fund	60,000	60,000	64,402	4,402
Department of Social Services	50,000	50,000	45,213	(4,787)
Dept. of Health and Environmental Control	5,000	5,000	9,044	4,044
Child support	-	-	162,307	162,307
Accommodations tax	30,000	30,000	66,954	36,954
State salary supplement	6,300	6,300	51,807	45,507
Laurens and Clinton PD for Comm	62,474	62,474	41,642	(20,832)
Laurens/Clinton PD - Vict. Ass't	53,830	53,830	23,719	(30,111)
Laurens/Clinton/Cross Hill Mag	30,000	30,000	28,781	(1,219)
Cooperative Capital Credit Distribution	-	-	1,246	1,246
Merchants inventory exempt	40,841	40,841	49,176	8,335
One percent monies - Greenville	15,000	15,000	12,092	(2,908)
Environmental Control Penalty	-	-	2,000	2,000
	<u>3,942,973</u>	<u>3,942,973</u>	<u>4,080,649</u>	<u>137,676</u>
<b>CHARGES FOR SERVICES</b>				
Municipal Inmate Housing	-	-	6,630	6,630
Clerk of Court fines and fees	700,000	700,000	791,045	91,045
Judge of Probate fees	114,877	114,877	116,620	1,743
Collection of city taxes	7,000	7,000	8,454	1,454
Treasurer's costs	70,000	70,000	40,055	(29,945)
Treasurer's other income	1,000	1,000	2,474	1,474
Sheriff fees	-	-	91,711	91,711
Cross Hill support/sheriff	22,830	22,830	17,723	(5,107)
Vital statistics	-	-	20,278	20,278
Clerk victim's assistance	51,320	51,320	32,318	(19,002)
Magistrate victim's assistance	65,191	65,191	71,878	6,687
Magistrate fines and fees	700,000	700,000	800,940	100,940
Vehicle road fee	440,000	440,000	466,292	26,292
E-911 cell phone fee	76,000	76,000	88,910	12,910
E-911 telephone fee	318,473	318,473	273,280	(45,193)
Emergency medical services fees	1,300,000	1,300,000	1,019,342	(280,658)
Tire Fee Rebate	29,500	29,500	29,065	(435)
Coop Cap Credit Distrib	-	-	525	525
Residential landfill fees	1,859,290	1,859,290	1,971,759	112,469
Coroner fees	-	-	150	150
Road and bridge fees	6,000	6,000	7,484	1,484
Decal Fee	-	-	8,278	8,278
School District 55 SRO Match	80,000	80,000	138,181	58,181
	<u>5,841,481</u>	<u>5,841,481</u>	<u>6,003,392</u>	<u>161,911</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>MISCELLANEOUS REVENUE</b>				
Building rental	600	600	266	(334)
Reimb. - Victim's Assist.for Admin Costs	50,000	50,000	-	(50,000)
Reimb. -Fire for Admin. Costs	25,000	25,000	-	(25,000)
Forest Funds	50,000	50,000	-	(50,000)
E-911 refunds	173,374	173,374	-	(173,374)
	<u>298,974</u>	<u>298,974</u>	<u>266</u>	<u>(298,708)</u>
<b>TOTAL BUDGETED REVENUES</b>	<b><u>\$ 18,154,428</u></b>	<b><u>\$ 18,154,428</u></b>	<b><u>\$ 21,692,322</u></b>	<b><u>\$ 3,537,894</u></b>
<b>NON-BUDGETED REVENUES</b>				
State funds for road maintenance			1,595,361	
Old Laurens Road Improvement Project			689,837	
Interest income			99,324	
County Park Rental Fee			100	
Miscellaneous			207,065	
Recorder of Deeds Revenue			11,120	
Traffic Safety Grant Revenue			32,323	
Domestic Violence Grant Revenue			31,290	
LEMPG Grant Revenue			7,883	
HAZMAT Grant Revenue			4,046	
Local options sales tax collected			2,974,991	
Registration Board			43,785	
Fee in Lieu of Tax			113,509	
Property taxes for indigent care			157,381	
Property taxes for technical education			160,355	
Miscellaneous			3,200	
<b>TOTAL NON-BUDGETED REVENUES</b>			<u>6,131,570</u>	
<b>TOTAL REVENUES</b>			<u><b>\$ 27,823,892</b></u>	

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT</b>				
Administration	\$ 328,330	\$ 328,330	\$ 328,461	\$ (131)
County Council	89,892	89,892	89,750	142
Judge of Probate	197,757	197,757	191,555	6,202
Registration	140,644	140,644	180,677	(40,033)
Capital Expenditures	365,600	365,600	401,657	(36,057)
Human Resources	77,417	77,417	74,206	3,211
Finance Department	166,267	166,267	123,798	42,469
Risk Management	36,585	36,585	34,079	2,506
Purchasing/Vehicle Maintenance	63,031	63,031	62,820	211
Non-Departmental	3,780,602	3,780,602	3,471,750	308,852
Auditor	315,642	315,642	274,038	41,604
Treasurer	243,843	243,843	245,501	(1,658)
Miscellaneous	98,335	98,335	95,794	2,541
Tax Assessor	351,471	351,471	316,203	35,268
Clerk of Court	513,010	513,010	479,614	33,396
Buildings and Grounds Maintenance	636,718	636,718	606,674	30,044
Airport	55,504	55,504	39,980	15,524
Contingency	250,000	250,000	155,033	94,967
Magistrates	396,305	396,305	344,071	52,234
	<u>8,106,953</u>	<u>8,106,953</u>	<u>7,515,661</u>	<u>591,292</u>
<b>PUBLIC SAFETY</b>				
Coroner	123,371	123,371	132,972	(9,601)
E-911	417,263	417,263	398,835	18,428
Emergency Preparedness	40,238	40,238	25,654	14,584
Emergency Operations	625,239	625,239	586,134	39,105
Emergency Medical Services	2,447,691	2,447,691	2,624,037	(176,346)
Victims' Assistance	165,883	165,883	136,538	29,345
Sheriff	2,682,327	2,682,327	2,582,796	99,531
Detention Center	1,838,605	1,838,605	1,718,463	120,142
Road/Bridges	699,140	699,140	684,935	14,205
Inspection/Permits	286,171	286,171	250,740	35,431
	<u>9,325,928</u>	<u>9,325,928</u>	<u>9,141,104</u>	<u>184,824</u>
<b>PUBLIC WORKS</b>				
Public Works	125,450	125,450	129,562	(4,112)
Solid Waste Management	1,804,072	1,804,072	1,761,413	42,659
	<u>1,929,522</u>	<u>1,929,522</u>	<u>1,890,975</u>	<u>38,547</u>
<b>HEALTH AND WELFARE</b>				
Veterans Affairs	80,183	80,183	77,812	2,371
Health Department	14,250	14,250	13,673	577
Social Services	13,600	13,600	18,296	(4,696)
	<u>108,033</u>	<u>108,033</u>	<u>109,781</u>	<u>(1,748)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CULTURE AND RECREATION</b>				
Parks and Recreation	113,217	113,217	124,654	(11,437)
Library	<u>556,878</u>	<u>556,878</u>	<u>554,410</u>	<u>2,468</u>
	<u>670,095</u>	<u>670,095</u>	<u>679,064</u>	<u>(8,969)</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT</b>				
Local Government Assistance	311,567	311,567	311,567	-
Special Appropriations	20,045	20,045	20,045	-
Clemson Extension	<u>48,066</u>	<u>48,066</u>	<u>48,277</u>	<u>(211)</u>
	<u>379,678</u>	<u>379,678</u>	<u>379,889</u>	<u>(211)</u>
<b>TOTAL BUDGETED EXPENDITURES</b>	<b><u>\$ 20,520,209</u></b>	<b><u>\$ 20,520,209</u></b>	<u>19,716,474</u>	<b><u>\$ 803,735</u></b>
<b>NON-BUDGETED EXPENDITURES</b>				
Local options sales tax distributed			2,454,405	
State for road maintenance			1,481,367	
Old Laurens Rd Improv Project			689,837	
Professional Services - Finance			62,486	
Technical education			162,341	
Indigent care			102,449	
Justice grant expense			15,695	
State drug forfeitures			50,750	
Grant expenditures - EMS			23,353	
Motor carrier			59,049	
Taxiway project			3,241	
State Homeland Security Grant			17,741	
Miscellaneous			15,271	
DARE program supplies			<u>786</u>	
Total non-budgeted expenditures			<u>5,138,771</u>	
<b>TOTAL EXPENDITURES</b>			<b><u>\$ 24,855,245</u></b>	

**LAURENS COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash with cash equivalents	\$ 3,163,605	\$ 557,800	\$ 3,721,405
Property taxes receivable	<u>36,933</u>	<u>113,110</u>	<u>150,043</u>
Total assets	<u><b>\$ 3,200,538</b></u>	<u><b>\$ 670,910</b></u>	<u><b>\$ 3,871,448</b></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other funds	\$ 1,570,537	\$ -	\$ 1,570,537
Deferred revenue	<u>32,113</u>	<u>103,821</u>	<u>135,934</u>
Total liabilities	<u>1,602,650</u>	<u>103,821</u>	<u>1,706,471</u>
<b>FUND BALANCES</b>			
Reserved for:			
Debt service	-	567,089	567,089
Unreserved:			
Undesignated	<u>1,597,888</u>	<u>-</u>	<u>1,597,888</u>
Total fund balances	<u>1,597,888</u>	<u>567,089</u>	<u>2,164,977</u>
Total liabilities and fund balances	<u><b>\$ 3,200,538</b></u>	<u><b>\$ 670,910</b></u>	<u><b>\$ 3,871,448</b></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the year ended June 30, 2007*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 450,078	\$ 1,060,416	\$ 1,510,494
Fee in lieu of taxes	-	374,643	374,643
Interest	5,012	29,679	34,691
Miscellaneous	516,814	-	516,814
Total revenues	971,904	1,464,738	2,436,642
<b>EXPENDITURES</b>			
Public safety	854,449	-	854,449
Economic development	438,847	-	438,847
Debt service:			
Principal retirement	171,541	1,293,772	1,465,313
Interest and fiscal charges	29,375	320,125	349,500
Total expenditures	1,494,212	1,613,897	3,108,109
Excess of revenues over expenditures	(522,308)	(149,159)	(671,467)
Other financing sources (uses):			
Transfers in	545,686	-	545,686
Total other financing sources (uses)	545,686	-	545,686
Net change in fund balances	23,378	(149,159)	(125,781)
Fund balances, beginning of the year, as originally reported	1,574,510	942,684	2,517,194
Prior period adjustment	-	(226,436)	(226,436)
Fund balances, beginning of the year, as restated	1,574,510	716,248	2,290,758
Fund balances, end of the year	<b>\$ 1,597,888</b>	<b>\$ 567,089</b>	<b>\$ 2,164,977</b>

**LAURENS COUNTY, SOUTH CAROLINA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2007**

**ASSETS**

Cash and cash equivalents	\$ 27,593,636
Investments	336,520
Property taxes receivable - Net	845,925
Accounts receivable	220,626
Due from other governments	2,126,085
Due from other funds	<u>6,679,431</u>
Total assets	<u><u>\$ 37,802,223</u></u>

**LIABILITIES AND FUND BALANCES**

**Liabilities**

Accounts payable	\$ 926,150
Deferred revenue	753,219
Accrued wages and benefits	414,338
Due to other local governments	<u>32,622,753</u>
Total liabilities	<u>34,716,460</u>

**Fund balances**

Reserved for capital expenditures	879,299
Unreserved	
Designated	176,606
Undesignated	<u>2,029,858</u>
Total fund balances	<u>3,085,763</u>

Total liabilities and fund balances	<u><u>\$ 37,802,223</u></u>
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**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
*For the year ended June 30, 2007*

<b>REVENUES</b>	\$ 27,823,892
<b>EXPENDITURES</b>	<u>24,855,245</u>
Net change in fund balance	<u>2,968,647</u>
<b>FUND BALANCE, BEGINNING OF YEAR, AS ORIGINALLY REPORTED</b>	770,718
Prior Period Adjustment	<u>(653,602)</u>
<b>FUND BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>117,116</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 3,085,763</u></u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2007*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT</b>				
Administration				
Salaries and wages	\$ 128,865	\$ 128,865	\$ 128,594	\$ 271
Professional services	150,000	150,000	180,135	(30,135)
Computer maintenance	5,000	5,000	-	5,000
Vehicle maintenance	750	750	306	444
Telephone	4,950	4,950	3,101	1,849
Advertising notices	2,000	2,000	2,081	(81)
Memberships/dues	265	265	255	10
Travel/meetings	2,500	2,500	3,274	(774)
Computer supplies	4,000	4,000	7,099	(3,099)
Office supplies	3,500	3,500	1,145	2,355
Postage	4,500	4,500	1,139	3,361
Vehicle supplies	2,000	2,000	1,332	668
Matching grant	20,000	20,000	-	20,000
	<u>328,330</u>	<u>328,330</u>	<u>328,461</u>	<u>(131)</u>
County Council				
Salaries and wages	59,592	59,592	59,590	2
Cell phones/pagers	2,500	2,500	2,513	(13)
Travel/per diem	16,800	16,800	16,800	-
Travel/meetings	11,000	11,000	10,847	153
	<u>89,892</u>	<u>89,892</u>	<u>89,750</u>	<u>142</u>
Judge of Probate				
Salaries and wages	165,897	165,897	159,545	6,352
Court reporter fees	750	750	-	750
Transports/mental exams	250	250	-	250
Computer maintenance	4,000	4,000	4,130	(130)
Equipment maintenance	3,000	3,000	3,780	(780)
Telephone	3,960	3,960	3,495	465
Memberships/dues	200	200	200	-
Travel/per diem	2,400	2,400	2,400	-
Travel/meetings	2,250	2,250	3,053	(803)
Office supplies	6,000	6,000	7,362	(1,362)
Postage and postage meter	3,800	3,800	2,688	1,112
Copier	4,500	4,500	4,150	350
Court fees/jury trials	750	750	752	(2)
	<u>197,757</u>	<u>197,757</u>	<u>191,555</u>	<u>6,202</u>
Registration				
Salaries	85,794	85,794	93,721	(7,927)
Equipment maintenance	6,000	6,000	5,960	40
Telephone	5,850	5,850	6,330	(480)
Memberships/dues	500	500	540	(40)
Travel/per diem	4,000	4,000	5,247	(1,247)
Travel/meetings	2,500	2,500	2,877	(377)
Election supplies	19,500	19,500	24,086	(4,586)
Office supplies	4,500	4,500	3,776	724
Postage	4,500	4,500	4,040	460
Ballots, poll workers, legal ads	7,500	7,500	34,100	(26,600)
	<u>140,644</u>	<u>140,644</u>	<u>180,677</u>	<u>(40,033)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
*For the year ended June 30, 2007*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Capital Expenditures				
GIS system	58,600	58,600	32,225	26,375
Building maintenance	15,000	15,000	-	15,000
Charter fiber network	14,000	14,000	4,751	9,249
Sheriff N800 pal radio system	40,000	40,000	37,248	2,752
Equipment	29,000	29,000	22,189	6,811
Vehicles	-	-	44,018	(44,018)
Computer system	49,000	49,000	-	49,000
Capital outlay	160,000	160,000	254,979	(94,979)
PRT projects	-	-	6,247	(6,247)
	<u>365,600</u>	<u>365,600</u>	<u>401,657</u>	<u>(36,057)</u>
Human Resources				
Salaries	64,037	64,037	64,771	(734)
Telephone	1,800	1,800	1,570	230
Advertising notices	5,000	5,000	5,382	(382)
Memberships/dues	300	300	-	300
Training	1,000	1,000	90	910
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	2,500	2,500	178	2,322
Office supplies	1,080	1,080	640	440
Postage	500	500	375	125
	<u>77,417</u>	<u>77,417</u>	<u>74,206</u>	<u>3,211</u>
Finance Department				
Salaries and wages	108,787	108,787	101,158	7,629
Computer maintenance	35,000	35,000	6,103	28,897
Telephone	1,980	1,980	2,336	(356)
Membership/dues	300	300	300	-
Travel/per diem	1,200	1,200	1,100	100
Travel/meetings	1,000	1,000	1,028	(28)
Office supplies	6,000	6,000	5,638	362
Postage	12,000	12,000	6,135	5,865
	<u>166,267</u>	<u>166,267</u>	<u>123,798</u>	<u>42,469</u>
Risk Management				
Salaries and wages	28,325	28,325	29,518	(1,193)
Cell Phones	-	-	692	(692)
Telephone	1,310	1,310	802	508
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	600	600	228	372
Computer supplies	-	-	161	(161)
Office supplies	2,000	2,000	1,432	568
Postage	150	150	46	104
Safety Reward Program	3,000	3,000	-	3,000
	<u>36,585</u>	<u>36,585</u>	<u>34,079</u>	<u>2,506</u>
Purchasing/Vehicle Maintenance				
Salaries and wages	40,201	40,201	40,187	14
Vehicle maintenance	1,700	1,700	1,553	147
Copying machine lease	15,500	15,500	15,731	(231)
Cell phone	600	600	456	144
Telephone	1,080	1,080	1,219	(139)
Advertising notices	800	800	783	17

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Purchasing/Vehicle Maintenance, Continued				
Travel/meetings	450	450	405	45
Computer supplies	400	400	304	96
Office supplies	400	400	300	100
Postage	100	100	24	76
Vehicle supplies	1,800	1,800	1,858	(58)
	<u>63,031</u>	<u>63,031</u>	<u>62,820</u>	<u>211</u>
Non-Departmental				
Fringe benefits	3,405,859	3,405,859	3,093,642	312,217
Tort liability	138,082	138,082	141,807	(3,725)
Auto insurance	236,161	236,161	236,161	-
Audit/bank charges	500	500	140	360
	<u>3,780,602</u>	<u>3,780,602</u>	<u>3,471,750</u>	<u>308,852</u>
Auditor				
Salaries and wages	113,667	113,667	117,354	(3,687)
Equipment maintenance	950	950	12	938
Smith data contracts	185,000	185,000	142,172	42,828
Telephone	4,950	4,950	2,851	2,099
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,500	1,500	1,462	38
Office supplies	3,000	3,000	3,969	(969)
Postage	875	875	855	20
Copier-auditor/treasury	4,500	4,500	4,163	337
	<u>315,642</u>	<u>315,642</u>	<u>274,038</u>	<u>41,604</u>
Treasurer				
Salaries and wages	172,523	172,523	176,186	(3,663)
Equipment maintenance	500	500	211	289
Telephone	4,500	4,500	3,220	1,280
Training	2,000	2,000	2,000	-
Travel/per diem	3,600	3,600	3,600	-
Office supplies	5,720	5,720	5,284	436
Postage	55,000	55,000	55,000	-
	<u>243,843</u>	<u>243,843</u>	<u>245,501</u>	<u>(1,658)</u>
Miscellaneous				
Public defender	50,000	50,000	50,000	-
Watershed maintenance	30,000	30,000	30,000	-
Soil conservation rent	1,200	1,200	1,200	-
Bonds on employees	4,985	4,985	4,233	752
Family court telephone	3,500	3,500	3,055	445
Circuit judge phone	3,000	3,000	2,055	945
Soil conservation	3,350	3,350	3,350	-
Delegation	1,900	1,900	1,901	(1)
Health district meetings	400	400	-	400
	<u>98,335</u>	<u>98,335</u>	<u>95,794</u>	<u>2,541</u>
Tax Assessor				
Salaries and wages	272,456	272,456	254,068	18,388
Equipment maintenance	3,500	3,500	429	3,071
Copy machine lease	4,055	4,055	8,795	(4,740)
Postage meter lease	3,250	3,250	2,493	757
Telephone	4,500	4,500	3,175	1,325
Training	7,000	7,000	6,289	711

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Tax Assessor, Continued				
Travel/per diem	28,800	28,800	27,690	1,110
Office supplies	2,300	2,300	8,378	(6,078)
Postage	22,000	22,000	1,275	20,725
Machines / Equipment	3,610	3,610	3,611	(1)
	<u>351,471</u>	<u>351,471</u>	<u>316,203</u>	<u>35,268</u>
Clerk of Court				
Salaries and wages	320,860	320,860	303,283	17,577
Jurors expense	70,000	70,000	52,918	17,082
Equipment maintenance	63,000	63,000	73,202	(10,202)
Telephone	9,000	9,000	8,272	728
Travel/per diem	1,200	1,200	1,100	100
Travel/meetings	1,000	1,000	1,174	(174)
Department supplies	400	400	-	400
Office supplies	16,550	16,550	14,720	1,830
Postage	31,000	31,000	24,945	6,055
	<u>513,010</u>	<u>513,010</u>	<u>479,614</u>	<u>33,396</u>
Building and Grounds Maintenance				
Salaries	191,644	191,644	190,082	1,562
Building maintenance	82,000	82,000	72,042	9,958
Maintenance contracts	20,000	20,000	19,767	233
Building insurance	70,194	70,194	68,675	1,519
Telephone	880	880	905	(25)
Department supplies	200	200	220	(20)
Janitorial supplies	25,000	25,000	18,719	6,281
Landscape maintenance supplies	18,600	18,600	14,080	4,520
Postage	50	50	-	50
Vehicle supplies	7,000	7,000	5,687	1,313
Utilities	177,900	177,900	175,288	2,612
Utilities/H.H.S. building	42,500	42,500	40,602	1,898
Miscellaneous and flags	750	750	607	143
	<u>636,718</u>	<u>636,718</u>	<u>606,674</u>	<u>30,044</u>
Airport				
Salaries and wages	30,329	30,329	29,777	552
Equipment maintenance	6,000	6,000	2,724	3,276
Tractor maintenance	1,000	1,000	239	761
Telephone	1,125	1,125	476	649
Travel/meetings	1,000	1,000	741	259
Building maintenance supplies	750	750	344	406
Postage	100	100	22	78
Tractor supplies	700	700	423	277
Utilities	7,000	7,000	5,234	1,766
Matching FFA funds	7,500	7,500	-	7,500
	<u>55,504</u>	<u>55,504</u>	<u>39,980</u>	<u>15,524</u>
Contingency				
Contingency	250,000	250,000	155,033	94,967
Magistrates				
Salaries and wages	332,459	332,459	283,219	49,240
Jurors	11,505	11,505	3,195	8,310
Equipment maintenance	18,080	18,080	28,280	(10,200)
Building rent	2,800	2,800	2,400	400

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT, Continued</b>				
Magistrates, Continued				
Telephone	7,011	7,011	7,454	(443)
Memberships/dues	750	750	-	750
Training/memberships	1,500	1,500	383	1,117
Travel/per diem	7,200	7,200	6,000	1,200
Travel/meetings	3,000	3,000	815	2,185
Office supplies	7,000	7,000	7,844	(844)
Office furniture	500	500	529	(29)
Postage	4,500	4,500	3,952	548
	<u>396,305</u>	<u>396,305</u>	<u>344,071</u>	<u>52,234</u>
Total general government	<u>\$ 8,106,953</u>	<u>\$ 8,106,953</u>	<u>\$ 7,515,661</u>	<u>\$ 591,292</u>
<b>PUBLIC SAFETY</b>				
Coroner				
Salaries and wages	43,576	43,576	47,796	(4,220)
Autopsies	60,000	60,000	67,494	(7,494)
Vehicle maintenance	2,500	2,500	2,083	417
Copy machine lease	1,000	1,000	1,398	(398)
Cell phone	1,200	1,200	1,199	1
Internet	250	250	70	180
Pagers	400	400	378	22
Telephone	3,420	3,420	2,262	1,158
Membership/dues	325	325	240	85
Training	2,000	2,000	1,381	619
Travel/per diem	1,000	1,000	397	603
Office supplies	3,000	3,000	3,095	(95)
Vehicle supplies	3,000	3,000	3,480	(480)
Equipment	1,700	1,700	1,699	1
	<u>123,371</u>	<u>123,371</u>	<u>132,972</u>	<u>(9,601)</u>
E-911				
Salaries and wages	136,213	136,213	113,247	22,966
Call check maintenance	3,000	3,000	5,593	(2,593)
Headset repair/replacement	1,200	1,200	1,197	3
Plotter maintenance	1,250	1,250	745	505
911 office voice mail	2,000	2,000	1,697	303
Recorder maintenance	12,000	12,000	12,000	-
Vehicle maintenance	1,800	1,800	1,106	694
Work station maintenance	19,000	19,000	18,954	46
Telephone	80,000	80,000	85,966	(5,966)
911 director telephone	2,400	2,400	2,399	1
E-911 public awareness	3,000	3,000	2,758	242
Training	2,500	2,500	1,778	722
Computer supplies	1,500	1,500	1,297	203
Copier supplies	2,000	2,000	1,745	255
Office supplies	1,000	1,000	945	55
Plotter paper supplies	1,000	1,000	920	80
Postage	600	600	575	25
Uninterrupted power supply	2,000	2,000	1,948	52
Vehicle supplies	2,000	2,000	1,012	988
CAD lease purchase	119,800	119,800	120,149	(349)
CAD annual maintenance	23,000	23,000	22,804	196
	<u>417,263</u>	<u>417,263</u>	<u>398,835</u>	<u>18,428</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Emergency Preparedness				
Salaries and wages	17,873	17,873	-	17,873
Tornado siren	7,500	7,500	3,434	4,066
Rent/lease equipment	6,000	6,000	3,932	2,068
Telephone	2,070	2,070	2,338	(268)
Membership/Dues	250	250	-	250
Training	800	800	293	507
Travel	1,500	1,500	149	1,351
Office supplies	1,645	1,645	14,571	(12,926)
Postage	400	400	32	368
Uniforms	200	200	174	26
Machines/equipment	2,000	2,000	731	1,269
	<u>40,238</u>	<u>40,238</u>	<u>25,654</u>	<u>14,584</u>
Emergency Operations				
Salaries and wages	426,204	426,204	374,453	51,751
Overtime	65,000	65,000	74,379	(9,379)
COG mapping agreement	1,000	1,000	987	13
Charter records fiber network	6,000	6,000	5,113	887
DTN weather service	2,400	2,400	2,400	-
Service contract - Radio	34,700	34,700	35,911	(1,211)
Telephone maintenance	6,500	6,500	6,463	37
Vehicle maintenance	2,200	2,200	1,996	204
Pager	1,100	1,100	1,086	14
SLED NCIC terminal	7,500	7,500	7,397	103
Telephone	22,000	22,000	25,260	(3,260)
Emergency line	13,000	13,000	12,997	3
Printing and binding	750	750	743	7
Memberships/dues	400	400	439	(39)
Training	3,000	3,000	2,920	80
Travel/per diem	2,000	2,000	1,711	289
Computer supplies	1,200	1,200	1,183	17
Copier supplies	3,000	3,000	2,971	29
Office supplies	4,400	4,400	4,386	14
Postage	700	700	688	12
Road signs	9,785	9,785	10,575	(790)
Uniforms	750	750	350	400
Vehicle supplies	3,500	3,500	4,057	(557)
GIS Software Maintenance	2,800	2,800	2,423	377
Plotter 800 Snnual Maintenance	1,800	1,800	1,597	203
GIS Server Supplies	2,000	2,000	650	1,350
Walkie Talkie Monthly User Fee	1,250	1,250	-	1,250
Copier lease	300	300	2,999	(2,699)
	<u>625,239</u>	<u>625,239</u>	<u>586,134</u>	<u>39,105</u>
Emergency Medical Services				
Salaries and wages	940,000	940,000	938,217	1,783
Overtime	500,000	500,000	509,316	(9,316)
Holiday work pay	20,700	20,700	18,118	2,582
Fringe benefits	558,884	558,884	683,539	(124,655)
Insurance	5,000	5,000	-	5,000
Equipment and vehicle maintenance	98,500	98,500	89,554	8,946
Building maintenace	7,500	7,500	6,491	1,009
Telephone	27,150	27,150	23,941	3,209

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Emergency Medical Services, Continued				
Utilities	25,000	25,000	21,639	3,361
Training	15,000	15,000	10,207	4,793
Travel	1,597	1,597	419	1,178
Office supplies	8,000	8,000	68,543	(60,543)
Professional development	6,785	6,785	4,858	1,927
Medical supplies	96,750	96,750	111,575	(14,825)
Vehicle supplies	110,000	110,000	111,742	(1,742)
Laundry and linen	1,000	1,000	104	896
Uniforms	20,325	20,325	16,206	4,119
Petty cash	500	500	6,508	(6,008)
Infection control	5,000	5,000	3,060	1,940
	<u>2,447,691</u>	<u>2,447,691</u>	<u>2,624,037</u>	<u>(176,346)</u>
Victims' Assistance				
Salaries and wages	79,132	79,132	83,050	(3,918)
Fringe benefits	30,737	30,737	30,129	608
Professional services	20,000	20,000	4,016	15,984
Computer system maintenance	5,000	5,000	1,359	3,641
Vehicle maintenance	1,200	1,200	1,753	(553)
Telephone	4,600	4,600	4,011	589
Printing and binding	1,500	1,500	-	1,500
Dues	250	250	-	250
Training	3,000	3,000	1,411	1,589
Copier supplies	250	250	156	94
Office supplies	1,500	1,500	403	1,097
Postage	500	500	241	259
Vehicle supplies	3,000	3,000	3,407	(407)
Travel	150	150	429	(279)
Law tracks	8,064	8,064	-	8,064
Contingency	7,000	7,000	6,173	827
	<u>165,883</u>	<u>165,883</u>	<u>136,538</u>	<u>29,345</u>
Sheriff				
Salaries and wages	1,759,676	1,759,676	1,791,284	(31,608)
Overtime	140,000	140,000	86,725	53,275
Holiday work pay	26,651	26,651	16,351	10,300
Workers Compensation	-	-	669	(669)
Professional services	2,000	2,000	5,580	(3,580)
Transports/mental exams	1,500	1,500	-	1,500
Towing/storage seized vehicles	2,000	2,000	2,475	(475)
Computer maintenance	14,000	14,000	7,867	6,133
Sex offender computer maintenance	5,000	5,000	2,749	2,251
Vehicle maintenance	215,000	215,000	212,959	2,041
Telephone	60,000	60,000	52,610	7,390
Training	8,000	8,000	7,432	568
Travel/meetings	8,500	8,500	2,081	6,419
Dept. supplies	28,000	28,000	19,290	8,710
K-Nine maintenance supplies	4,500	4,500	2,743	1,757
Office supplies	18,000	18,000	18,339	(339)
Postage	5,000	5,000	3,540	1,460
Reserve deputy supplies	10,000	10,000	694	9,306
Uniforms	70,000	70,000	43,159	26,841
Vehicle supplies	300,000	300,000	297,161	2,839

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY, Continued</b>				
Sheriff, Continued				
Child support enforcement	-	-	5,000	(5,000)
Crime prevention program	2,000	2,000	1,635	365
DARE Program	2,500	2,500	2,453	47
	<u>2,682,327</u>	<u>2,682,327</u>	<u>2,582,796</u>	<u>99,531</u>
Detention Center				
Salaries and wages	923,945	923,945	865,213	58,732
Overtime	111,660	111,660	72,622	39,038
Physician and medical supplies	250,000	250,000	272,170	(22,170)
Systems maintenance	60,000	60,000	29,706	30,294
Telephone	15,000	15,000	14,858	142
Juvenile incarceration	25,000	25,000	23,313	1,687
Training	15,000	15,000	9,271	5,729
Department supplies	43,000	43,000	38,538	4,462
Laundry and linen	5,000	5,000	664	4,336
Janitorial supplies	25,000	25,000	29,111	(4,111)
Office supplies	12,000	12,000	6,576	5,424
Home Detention Supplies	3,000	3,000	2,213	787
Utilities	100,000	100,000	111,460	(11,460)
Food/provisions	250,000	250,000	242,748	7,252
	<u>1,838,605</u>	<u>1,838,605</u>	<u>1,718,463</u>	<u>120,142</u>
Road/Bridges				
Salaries and wages	335,925	335,925	318,617	17,308
Professional services	500	500	335	165
Vehicle maintenance	41,500	41,500	39,955	1,545
Telephone	1,080	1,080	1,078	2
Training	400	400	255	145
Bridge maintenance supplies	41,000	41,000	40,469	531
Dept supplies	173,000	173,000	173,071	(71)
Office supplies	500	500	492	8
Pipe	18,600	18,600	23,450	(4,850)
Postage	85	85	37	48
Road signs	10,000	10,000	9,963	37
Vehicle supplies	70,800	70,800	71,471	(671)
Utilities	5,750	5,750	5,742	8
	<u>699,140</u>	<u>699,140</u>	<u>684,935</u>	<u>14,205</u>
Inspections/Permits				
Salaries	211,971	211,971	204,203	7,768
Employer Health Ins			743	(743)
Professional services	5,000	5,000	-	5,000
Demolition and cleanup	5,000	5,000	-	5,000
Vehicle maintenance	5,200	5,200	2,460	2,740
Copy machine lease	2,500	2,500	3,078	(578)
Postage machine lease	2,000	2,000	1,988	12
Telephone	7,200	7,200	6,914	286
Training/uniforms	10,000	10,000	7,915	2,085
Travel/per diem	4,000	4,000	2,406	1,594
Computer supplies	5,800	5,800	2,438	3,362
Office supplies	10,000	10,000	8,829	1,171
Vehicle supplies	17,500	17,500	9,766	7,734
	<u>286,171</u>	<u>286,171</u>	<u>250,740</u>	<u>35,431</u>
Total public safety	<u>\$ 9,325,928</u>	<u>\$ 9,325,928</u>	<u>\$ 9,141,104</u>	<u>\$ 184,824</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS</b>				
Public Works				
Salaries and wages	105,260	105,260	106,264	(1,004)
Contractual Services	-	-	2,798	(2,798)
Vehicle maintenance	400	400	261	139
Telephone	1,890	1,890	1,927	(37)
Memberships/dues	300	300	295	5
Training	250	250	-	250
Travel/meetings	700	700	681	19
Office supplies	1,000	1,000	1,008	(8)
Postage	550	550	221	329
Uniforms	14,000	14,000	14,943	(943)
Vehicle supplies	1,100	1,100	1,164	(64)
	<u>125,450</u>	<u>125,450</u>	<u>129,562</u>	<u>(4,112)</u>
Solid Waste Management				
Salaries and wages	591,701	591,701	517,579	74,122
Fringe benefits	192,397	192,397	193,225	(828)
Professional services	1,900	1,900	907	993
Tire disposal fees	18,700	18,700	19,664	(964)
Well monitor	17,800	17,800	17,800	-
Equipment maintenance	109,800	109,800	104,887	4,913
Dump site maintenance	18,000	18,000	18,731	(731)
Telephone	1,530	1,530	1,678	(148)
Utilities	5,100	5,100	5,222	(122)
Transfer station fees	610,000	610,000	652,631	(42,631)
Equipment supplies	115,200	115,200	114,716	484
Landfill supplies	38,500	38,500	39,403	(903)
Miscellaneous	1,600	1,600	1,492	108
Vehicles	64,711	64,711	63,978	733
Contingency	17,133	17,133	9,500	7,633
	<u>1,804,072</u>	<u>1,804,072</u>	<u>1,761,413</u>	<u>42,659</u>
Total public works	<u>\$ 1,929,522</u>	<u>\$ 1,929,522</u>	<u>\$ 1,890,975</u>	<u>\$ 38,547</u>
<b>HEALTH AND WELFARE</b>				
Veterans Affairs				
Salaries and wages	69,233	69,233	64,138	5,095
Equipment maintenance	600	600	1,827	(1,227)
Vehicle maintenance	1,500	1,500	1,492	8
Telephone	1,800	1,800	2,820	(1,020)
Travel/meetings	1,500	1,500	1,006	494
Office supplies	600	600	1,371	(771)
Postage	450	450	666	(216)
Vehicle supplies	4,500	4,500	4,492	8
	<u>80,183</u>	<u>80,183</u>	<u>77,812</u>	<u>2,371</u>
Health Department				
Telephone	14,000	14,000	13,474	526
Emergency contingency	250	250	199	51
	<u>14,250</u>	<u>14,250</u>	<u>13,673</u>	<u>577</u>
Social Services				
Telephone	13,600	13,600	18,296	(4,696)
Total health and welfare	<u>\$ 108,033</u>	<u>\$ 108,033</u>	<u>\$ 109,781</u>	<u>\$ (1,748)</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**For the year ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>CULTURE AND RECREATION</b>				
Parks and Recreation				
Salaries and wages	55,417	55,417	55,621	(204)
Professional services	1,200	1,200	596	604
Equipment maintenance	2,000	2,000	1,208	792
Grounds maintenance	15,000	15,000	16,729	(1,729)
Vehicle maintenance	2,500	2,500	1,064	1,436
Laurens YMCA	6,000	6,000	4,780	1,220
Training/membership dues	200	200	102	98
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	700	557	143
Department supplies	2,000	2,000	2,364	(364)
Vehicle supplies	3,000	3,000	3,740	(740)
Utilities	13,000	13,000	10,109	2,891
W.R. grace royalties	(9,000)	(9,000)	-	(9,000)
Community projects	20,000	20,000	26,584	(6,584)
	<u>113,217</u>	<u>113,217</u>	<u>124,654</u>	<u>(11,437)</u>
Library				
Salaries	402,628	402,628	400,368	2,260
Professional services	5,000	5,000	5,275	(275)
Bookmobile maintenance	2,500	2,500	1,879	621
Computer maintenance	20,000	20,000	20,028	(28)
Equipment maintenance	8,000	8,000	8,785	(785)
Telephone	4,050	4,050	4,407	(357)
Travel/meetings	3,500	3,500	2,646	854
Bookmobile supplies	2,500	2,500	2,605	(105)
Department supplies	60,000	60,000	60,135	(135)
Office supplies	6,200	6,200	6,280	(80)
Postage	2,500	2,500	2,305	195
Utilities	40,000	40,000	39,697	303
	<u>556,878</u>	<u>556,878</u>	<u>554,410</u>	<u>2,468</u>
Total recreation	<u>\$ 670,095</u>	<u>\$ 670,095</u>	<u>\$ 679,064</u>	<u>\$ (8,969)</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT</b>				
Local Government Assistance				
Solicitor's office	215,163	215,163	215,163	-
Economic development/Chamber of Commerce	32,000	32,000	32,000	-
National Association of Counties	1,357	1,357	1,357	-
S.C. Association of Counties	13,894	13,894	13,894	-
Upper Savannah C.O.G.	49,153	49,153	49,153	-
	<u>311,567</u>	<u>311,567</u>	<u>311,567</u>	<u>-</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INTERGOVERNMENTAL AND PRIVATE NON-PROFIT, Continued</b>				
Clemson Extension				
Beautification project	850	850	863	(13)
4-H Project	39,231	39,231	39,231	-
Office supplies	2,685	2,685	2,745	(60)
Utilities	<u>5,300</u>	<u>5,300</u>	<u>5,438</u>	<u>(138)</u>
	<u>48,066</u>	<u>48,066</u>	<u>48,277</u>	<u>(211)</u>
Total intergovernmental and private non-profit	<u>\$ 379,678</u>	<u>\$ 379,678</u>	<u>379,889</u>	<u>\$ (211)</u>
<b>TOTAL BUDGETED     EXPENDITURES</b>	<u>\$ 20,520,209</u>	<u>\$ 20,520,209</u>	<u>19,716,474</u>	<u>\$ 803,735</u>
<b>NON-BUDGETED EXPENDITURES</b>				
Local options sales tax distributed			2,454,405	
State for road maintenance			1,481,367	
Old Laurens Rd Improv Project			689,837	
Professional Services - Finance			62,486	
Technical education			162,341	
Indigent care			102,449	
Justice grant expense			15,695	
State drug forfeitures			50,750	
Grant expenditures - EMS			23,353	
Motor carrier			59,049	
Taxiway project			3,241	
State Homeland Security Grant			17,741	
Miscellaneous			15,271	
DARE program supplies			<u>786</u>	
Total non-budgeted expenditures			<u>5,138,771</u>	
<b>TOTAL EXPENDITURES</b>			<u>\$ 24,855,245</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, 2007*

	Actual	Budget	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 2,030,359	\$ 1,996,500	\$ 33,859
Total revenues	2,030,359	1,996,500	33,859
<b>EXPENDITURES</b>			
Salaries and wages	282,009	164,783	(117,226)
Fringe benefits	160,554	70,000	(90,554)
Uniforms	2,487	2,000	(487)
Dues and subscriptions	234	-	(234)
Travel and meetings	21	-	(21)
Utilities	12,715	-	(12,715)
Insurance	163,395	128,000	(35,395)
Telephone	3,376	-	(3,376)
Maintenance contract	580	-	(580)
Building repairs	2,407	-	(2,407)
Vehicle repairs	9,415	-	(9,415)
Vehicle supplies	13,725	-	(13,725)
Equipment repairs	2,136	-	(2,136)
First responder supplies	147	-	(147)
Cleaning supplies	492	-	(492)
Training	625	-	(625)
Capital outlay	186,510	151,360	(35,150)
Office supplies	448	-	(448)
Debt service:			
Principal retirement	93,029	93,029	-
Interest	10,611	10,611	-
Fire contracts	461,650	754,892	293,242
Tax Rebate to Volunteers	2,567	15,000	12,433
Contingency	11,491	40,000	28,509
Total expenditures	1,420,624	1,429,675	9,051
Excess (deficiency) of revenues over expenditures	609,735	566,825	42,910
<b>OTHER FINANCING USES</b>			
Transfers out	(545,686)	(545,786)	100
Total other financing uses	(545,686)	(545,786)	100
Net change in fund balance	64,049	21,039	43,010
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	(49,037)	(49,037)	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 15,012	\$ (27,998)	\$ 43,010

**LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2007**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom
<b>ASSETS</b>							
Cash held by County Government	\$ -	\$ 2,188,576	\$ 89,192	\$ -	\$ -	\$ -	\$ -
Cash held at fire departments	-	-	-	50,891	171,670	49,687	92,283
Taxes receivable - Net	-	20,314	16,619	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 2,208,890</b>	<b>\$ 105,811</b>	<b>\$ 50,891</b>	<b>\$ 171,670</b>	<b>\$ 49,687</b>	<b>\$ 92,283</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Due to other funds	\$ -	\$ 1,542,922	\$ 27,615	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	17,702	14,411	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,560,624</b>	<b>42,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>							
Unreserved							
Undesignated	-	648,266	63,785	50,891	171,670	49,687	92,283
<b>Total fund balances</b>	<b>-</b>	<b>648,266</b>	<b>63,785</b>	<b>50,891</b>	<b>171,670</b>	<b>49,687</b>	<b>92,283</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 2,208,890</b>	<b>\$ 105,811</b>	<b>\$ 50,891</b>	<b>\$ 171,670</b>	<b>\$ 49,687</b>	<b>\$ 92,283</b>

(Continued)

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

June 30, 2007

	Greenpond	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
<b>ASSETS</b>										
Cash held by County Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,277,768
Cash held at fire departments	61,481	100,688	62,768	81,090	38,377	22,942	77,383	70,158	6,419	885,837
Taxes receivable - Net	-	-	-	-	-	-	-	-	-	36,933
Due from other governments	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 61,481	\$ 100,688	\$ 62,768	\$ 81,090	\$ 38,377	\$ 22,942	\$ 77,383	\$ 70,158	\$ 6,419	\$ 3,200,538
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,537
Deferred revenue	-	-	-	-	-	-	-	-	-	32,113
Total liabilities	-	-	-	-	-	-	-	-	-	1,602,650
Fund balances										
Unreserved										
Undesignated	61,481	100,688	62,768	81,090	38,377	22,942	77,383	70,158	6,419	1,597,888
Total fund balances	61,481	100,688	62,768	81,090	38,377	22,942	77,383	70,158	6,419	1,597,888
Total liabilities and fund balances	\$ 61,481	\$ 100,688	\$ 62,768	\$ 81,090	\$ 38,377	\$ 22,942	\$ 77,383	\$ 70,158	\$ 6,419	\$ 3,200,538

**LAURENS COUNTY, SOUTH CAROLINA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the year ended June 30, 2007**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn
<b>REVENUES</b>							
Property taxes	\$ -	\$ 252,246	\$ 197,832	\$ -	\$ -	\$ -	\$ -
Fundraising income	-	-	-	-	8,712	2,865	3,735
Interest	-	-	-	-	1,023	-	79
Other income	425,549	-	-	9,837	12	1,895	-
<b>Total revenues</b>	<b>425,549</b>	<b>252,246</b>	<b>197,832</b>	<b>9,837</b>	<b>9,747</b>	<b>4,760</b>	<b>3,814</b>
<b>EXPENDITURES</b>							
Salaries and wages	-	72,470	-	-	-	-	-
Fringe benefits	-	31,589	-	-	-	-	-
Advertising/printing/supplies	-	-	-	1,236	294	18	179
Postage	-	189	-	135	77	80	117
Books and publications	-	697	-	-	375	352	-
Dues and subscriptions	-	1,618	-	77	357	296	500
Travel and meetings	-	5,872	-	31	-	237	-
Fuel and oil	-	-	-	5,588	3,203	2,446	1,329
Utilities	-	-	-	6,398	5,797	5,511	4,367
Telephone	-	7,235	-	4,990	2,621	1,247	714
General Supplies	-	-	-	-	-	-	-
Maintenance contract	-	-	-	-	2,087	-	-
Building repairs	-	-	-	2,423	20,418	162	724
Vehicle repairs	-	3,976	-	1,210	9,145	8,373	1,301
Vehicle supplies	-	12,172	-	-	-	-	-
Equipment repairs	-	1,932	-	1,349	304	-	187
1st responder supplies	-	-	-	387	30	232	-
Cleaning supplies	-	-	-	23	20	251	116
Physician and medical supplies	-	8,551	-	-	-	-	-
Fire prevention supplies	-	3,794	-	-	-	-	-
Training	-	5,959	-	1,907	751	994	-
Rent expense	-	1,579	-	-	-	-	-
Bank charges	-	-	-	85	347	60	-
Professional services	-	6,304	-	-	-	-	-
Other	-	-	-	6	15	66,234	187
Capital outlay	-	3,676	-	6,250	-	-	348
Office supplies and equipment	-	2,575	-	1,879	4,029	1,683	232
Fundraising expense	-	-	-	-	7,286	1,934	3,286
Grant expense	-	-	-	6,453	-	-	-
Fire fighting supplies and equipment	-	-	-	18,608	14,453	13,502	5,866
Economic development	438,847	-	-	-	-	-	-

(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, 2007**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom
<b>EXPENDITURES, Continued</b>							
Contingency	-	11,711	-	-	-	-	-
Debt service:							
Principal	-	-	171,541	-	-	-	-
Interest	-	-	29,375	-	-	-	-
Total expenditures	438,847	181,899	200,916	59,035	71,609	103,612	19,453
Excess (deficiency) of revenues over expenditures	(13,298)	70,347	(3,084)	(49,198)	(61,862)	(98,852)	(15,639)
<b>OTHER FINANCING SOURCES</b>							
Operating transfers in	-	-	-	64,950	46,553	40,300	29,155
Total other financing sources (uses)	-	-	-	64,950	46,553	40,300	29,155
Net change in fund balance	(13,298)	70,347	(3,084)	15,752	(15,309)	(58,552)	13,516
<b>FUND BALANCES, BEGINNING OF YEAR</b>	13,298	577,919	66,869	35,139	186,979	108,239	78,767
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ 648,266	\$ 63,785	\$ 50,891	\$ 171,670	\$ 49,687	\$ 92,283

(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, 2007**

	Greenpond	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
<b>REVENUES</b>										
Property taxes	-	-	-	-	-	-	-	-	-	\$ 450,078
Fundraising income	5,390	13,666	-	9,469	-	-	-	-	-	43,837
Interest	-	827	12	754	1	18	1,823	464	11	5,012
Other income	-	7,076	3,397	133	2,058	-	23,020	-	-	472,977
Total revenues	5,390	21,569	3,409	10,356	2,059	18	24,843	464	11	971,904
<b>EXPENDITURES</b>										
Salaries and wages	-	-	-	-	-	-	-	-	-	72,470
Fringe benefits	-	-	-	-	-	-	-	-	-	31,589
Advertising/printing/supplies	-	2,161	404	501	92	1,947	985	-	936	8,753
Postage	96	-	119	36	78	230	104	70	39	1,370
Books and publications	139	-	-	-	-	-	-	119	200	1,882
Dues and subscriptions	250	888	942	50	241	344	880	254	2,282	8,979
Travel and meetings	499	156	-	-	-	500	-	-	325	7,620
Fuel and oil	2,749	3,519	4,771	1,440	5,374	4,365	6,121	3,106	3,113	47,124
Utilities	1,466	6,500	7,562	1,950	4,533	5,054	3,916	3,980	3,735	60,769
Telephone	1,407	965	4,099	825	1,711	3,001	3,067	605	1,337	33,824
General Supplies	-	-	-	-	-	-	-	-	-	-
Maintenance contract	200	-	-	218	-	893	1,755	-	536	5,689
Building repairs	9,338	-	951	189	3,704	1,214	4,964	-	1,349	45,436
Vehicle repairs	519	1,934	4,518	6,944	1,817	2,539	2,867	1,919	5,258	52,320
Vehicle supplies	-	-	-	-	-	-	-	-	-	12,172
Equipment repairs	1,441	903	1,262	8,273	1,809	622	940	1,056	1,905	21,983
1st responder supplies	-	-	-	1,116	-	433	171	97	779	3,245
Cleaning supplies	888	188	-	-	159	387	689	176	39	2,936
Physician and medical supplies	-	-	-	-	-	-	-	-	-	8,551
Fire prevention supplies	-	-	-	-	-	-	-	-	-	3,794
Training	-	554	260	165	275	622	-	1,511	1,024	14,022
Rent expense	-	-	-	86	-	-	-	-	-	1,579
Bank charges	-	-	36	-	-	-	-	83	-	697
Professional services	-	-	-	-	-	-	-	-	-	6,304
Other	155	18,892	2,463	255	2,632	1,333	3,400	831	2,210	98,613
Capital outlay	-	-	11,723	3,663	1,467	2,968	3,248	10,856	10,386	54,585
Office supplies and equipment	148	-	-	-	137	812	2,394	1,449	-	15,338
Fundraising expense	2,708	6,044	-	5,313	-	-	-	-	-	26,571
Grant expense	-	-	20	9	-	-	20,416	-	-	26,898
Fire fighting supplies and equipment	8,392	16,514	-	-	5,420	19,397	25,531	20,957	18,985	167,625
Economic development	-	-	-	-	-	-	-	-	-	438,847

(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, 2007**

	Greenpond	Hickory Tavern	Jeanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
<b>EXPENDITURES, Continued</b>										
Contingency	-	-	-	-	-	-	-	-	-	11,711
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	171,541
Interest	-	-	-	-	-	-	-	-	-	29,375
Total expenditures	30,395	59,218	39,130	31,033	29,449	46,661	81,448	47,069	54,438	1,494,212
Excess (deficiency) of revenues over expenditures	(25,005)	(37,649)	(35,721)	(20,677)	(27,390)	(46,643)	(56,605)	(46,605)	(54,427)	(522,308)
<b>OTHER FINANCING SOURCES</b>										
Operating transfers in	40,795	50,657	50,250	32,631	27,560	32,750	45,135	44,350	40,600	545,686
Total other financing sources (uses)	40,795	50,657	50,250	32,631	27,560	32,750	45,135	44,350	40,600	545,686
Net change in fund balance	15,790	13,008	14,529	11,954	170	(13,893)	(11,470)	(2,255)	(13,827)	23,378
<b>FUND BALANCES, BEGINNING OF YEAR</b>	45,691	87,680	48,239	69,136	38,207	36,835	88,853	72,413	20,246	1,574,510
<b>FUND BALANCES, END OF YEAR</b>	\$ 61,481	\$ 100,688	\$ 62,768	\$ 81,090	\$ 38,377	\$ 22,942	\$ 77,383	\$ 70,158	\$ 6,419	\$ 1,597,888

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR DEBT SERVICE FUND**  
**BALANCE SHEET**  
*June 30, 2007*

	Special Source Revenue Bond	General Obligation bond	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 557,800	\$ 557,800
Property taxes receivable	-	113,110	113,110
 Total assets	\$ -	\$ 670,910	\$ 670,910
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	\$ 103,821	\$ 103,821
 Total liabilities	-	103,821	103,821
 <b>FUND BALANCES</b>			
Reserved for:			
Debt service	-	567,089	567,089
 Total fund balances	-	567,089	567,089
 Total liabilities and fund balances	\$ -	\$ 670,910	\$ 670,910

**LAURENS COUNTY, SOUTH CAROLINA**  
**NONMAJOR DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the year ended June 30, 2007**

	Special Source Revenue Bond	Water & Sewer Anticipation Bond	General Obligation bond	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 1,060,416	\$ 1,060,416
Fee in lieu of taxes	374,643	-	-	374,643
Interest	-	-	29,679	29,679
Total revenues	<u>374,643</u>	<u>-</u>	<u>1,090,095</u>	<u>1,464,738</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	276,000	-	1,017,772	1,293,772
Interest and fiscal charges	98,643	-	221,482	320,125
Total expenditures	<u>374,643</u>	<u>-</u>	<u>1,239,254</u>	<u>1,613,897</u>
Net change in fund balances	-	-	(149,159)	(149,159)
Fund balances, beginning of the year, as originally reported	-	226,436	716,248	942,684
Prior Period Adjustment	-	(226,436)	-	(226,436)
Fund balances, beginning of the year, as restated	<u>-</u>	<u>-</u>	<u>716,248</u>	<u>716,248</u>
Fund balances, end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,089</u>	<u>\$ 567,089</u>

**LAURENS COUNTY, SOUTH CAROLINA**  
**FINES AND ASSESSMENTS**  
*For the year ended June 30, 2007*

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines Collected	\$ 489,120	\$ 556,965	\$ -
Assessments from general sessions	23,311	191,104	-
Surcharges collected	<u>50,426</u>	<u>64,313</u>	<u>-</u>
 Total fines, assessments, and surcharges collected	 <u>\$ 562,857</u>	 <u>\$ 812,382</u>	 <u>\$ -</u>
 Fines collected for County Treasurer	 -	 556,965	 -
Assessments collected for County Treasurer	8,759	61,957	-
Surcharges collected for County Treasurer	<u>32,189</u>	<u>25,704</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for County Treasurer	 <u>\$ 40,948</u>	 <u>\$ 644,626</u>	 <u>\$ -</u>
 Fines collected for State Treasurer	 489,120	 -	 -
Assessments collected for State Treasurer	14,552	129,147	-
Surcharges collected for State Treasurer	<u>18,237</u>	<u>38,609</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for State Treasurer	 <u>\$ 521,909</u>	 <u>\$ 167,756</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 Laurens County, South Carolina as of and for the year ended June 30, 2007 which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 10, 2008. We did not express an opinion on the discretely presented component units since they were omitted from the County's basic financial statements. Except as discussed in the preceding sentence, 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-1 through 2007-7 to be a significant deficiency over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We consider the significant deficiency described above as item 2007-6 and 2007-7 to be a material weakness, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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*.

We noted certain matters that we reported to management of Laurens County, South Carolina, in a separate letter dated March 10, 2008.

This report is intended for the information and use of the Laurens County Council, management, 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.

Greenwood, South Carolina  
March 10, 2008

ELBERT 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 Laurens County, South Carolina 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, 2007. The County's 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's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about County's 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's 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, 2007.

### **Internal control over compliance**

The management of Laurens County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Greenwood, South Carolina  
March 10, 2008

*Ernest Davis LLC*

**LAURENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed through South Carolina Department of Social Services State Administration Matching Grant Food Stamp Program	10.561		\$ 500,000	\$ 9,980
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
Passed through State Department of Commerce Neighborhood Revitalization	14.228	4L01038 / 4L1039	\$ 500,000	\$ 438,847
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
Passed through South Carolina Department of Transportation Highway Planning and Construction	20.205		\$ 3,350,160	\$ 551,870
Airport Improvement Program	20.106			15,492
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Passed through South Carolina Department of Social Services DSS Filing Fees	93.563		\$ 125,650	
DSS Administrative Expense	93.563		4,315	
Child Support Initiatives	93.563		71,853	
Child Support Enforcement - Family Court	93.563		122,083	
Sheriff's Department Unit Cost Reimbursement	93.563		15,857	
Family Preservation (CWS Part II)	93.556		758	
Temporary Assistance for Needy Families	93.558		15,589	
Child Support Enforcement	93.563		13	
Child Welfare Services	93.645		1,019	
Title IV-E Foster Care	93.658		2,839	
Social Services Block Grant	93.667		3,801	
Medicaid Programs - Reimbursed by SCDHHS	93.778		5,134	
Child Development Fund	93.575		96	
			<b>\$ 369,007</b>	<b>\$ 369,007</b>

**LAURENS COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
Passed through the Office of the Justice Program				
Local Law Enforcement Block Grant Program	16.575		\$ 31,290	
Local Law Enforcement Block Grant Program	16.575		\$ 32,323	
				<b><u>\$ 63,613</u></b>
<b><u>U. S. HOMELAND SECURITY ADMINISTRATION</u></b>				
Passed through S C Law Enforcement Division:				
Supplemental State Homeland Security Grant	97.067	5SHSP30	\$ 162,087	
Local Emergency Management Performance	97.042	6EMPG01	\$ 19,630	
				<b><u>\$ 50,510</u></b>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>				
Passed through the Office of the Adjutant General:				
			\$ 16,129	
			<b><u>\$ 16,129</u></b>	
				<b><u>\$ 1,515,448</u></b>
Total federal assistance expended (modified accrual basis of accounting)				

**LAURENS COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the year ended June 30, 2007*

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Laurens County, South Carolina.
2. Seven significant deficiencies (2007-1 through 2007-7) relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. Two of the significant deficiencies (2007-6 and 2007-7) which are considered to be a material weakness relating to the audit of the financial statements and are reported in the Schedule of Findings and Questioned Costs.
4. No instances of noncompliance material to the financial statements of Laurens County, South Carolina were disclosed during the audit.
5. There were no significant deficiencies or material weaknesses relating to the audit of the major federal award programs reported in the schedule of findings and questioned costs.
6. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
7. No audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133.
8. The following programs were considered to be major programs:

US Department of Transportation Highway Planning and Construction	CFDA	20.205
US Department of Health and Human Services Child Support Enforcement	CFDA	93.563
US Department of Housing and Urban Development Neighborhood Revitalization	CFDA	14.228

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

**B. FINDING - FINANCIAL STATEMENTS AUDIT**

Item 2007-1: Depreciation of Capital Assets

Condition

The finance and accounting department inaccurately calculated depreciation in the prior year. As a result, a prior period adjustment was required. The County overstated vehicles and equipment net book value by approximately \$670,000 by a depreciation expense calculation error in an Excel spreadsheet.

(Continued)

*LAURENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2007*

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

Item 2007-1: Depreciation of Capital Assets, Continued

Criteria

Vehicles and equipment is required to be depreciated over estimated useful life.

Effect

Depreciable capital assets were overstated by approximately \$670,000.

Recommendation

The County should consider a second level of review of depreciation calculation or obtaining depreciation software to depreciate and account for capital assets.

Management Response

The County will create procedures to ensure a second level of review and explore the possibility of purchasing software to track and calculate depreciation for capital assets.

Item 2007-2: Accounting Personnel

Condition

The finance and accounting department does not employ enough personnel to produce accurate internal financial reports on a timely basis.

Criteria

All significant adjustments to general ledger and financial statements should be generated within a reasonable time frame.

Effect

General ledger and cash reconciliations are not reconciled timely. Financial statements are consistently issued late.

Recommendation

Employ additional qualified staff and continue to develop their accounting expertise.

Management Response

The County has employed an additional staff in the fall of 2007 and reassigning tasks for various employees within the finance department. This additional employee will focus on the issues found.

Item 2007-3: "C" Fund

Condition

"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.

Criteria

The County is required to manage and ensure on a timely basis that monies held by the "C" fund committee are being spent appropriately.

(Continued)

*LAURENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2007*

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

Item 2007-3: "C" Fund, Continued

Effect

Cash is not recorded on the general ledger to account for "C" fund activity until actual disbursement from "C" fund account.

Recommendation

We recommend the cash account be reviewed on a monthly basis by the Finance Director 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.

Management Response

The finance director will examine this issue and determine procedures to properly record "C" fund activity on the general ledger.

Item 2007-4: Journal Entry Process

Condition

Journal entry process is not defined and documented.

Criteria

The County's accounting process should include procedures to track journal entries and have support for all journal entries posted to CSI.

Effect

Journal entries can be made with no defining reason and support is not available.

Recommendation

We recommend management institute procedures to define journal entry process and file documentation for support of journal entry posted to include a level of review and approval of journal entries posted.

Management Response

The County has employed an additional staff in the fall of 2007 and reassigning tasks for various employees within the finance department. This additional employee will focus on the issues found.

Item 2007-5: Accounting for Debt

Condition

There was \$4,050,000 in general obligation bond of Laurens County Water and Sewer Commission which was previously included as County debt on prior year financial statements in error.

(Continued)

*LAURENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2007*

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

Item 2007-5: Accounting for Debt, Continued

Criteria

The County's accounting process should include procedures to track all debt issues, to ensure debt is properly stated and bond payments on CSI is recorded for debt related to the County.

Effect

General obligation bond was overstated in prior year. A prior period adjustment was made to correct to error on the financial statements.

Recommendation

We recommend management institute procedures to track all debt owned by the County.

Management Response

The County will examine this issue and find proper solution for tracking County debt.

Item 2007-6: Financial Reporting Process

Condition

There appears to be no defined procedures to ensure financial reporting is accurate and timely and provide sufficient information for management.

Criteria

The County's accounting process should include procedures to ensure financial reporting is made on a timely basis with accurate information.

Effect

Management is unable to provide monthly financial reporting that is accurate and timely and include all information needed to properly forecast needs of Laurens County and related resources available.

Recommendation

We recommend management develop detailed procedures and implement process to provide monthly accurate financial information in a reasonable time frame.

Management Response

The County has employed an additional staff in the fall of 2007 and reassigning tasks for various employees within the finance department. This additional employee will focus on the issues found. The finance department is in the process of analyzing accounting processes to evaluate current procedures and implement new procedures. This is the highest priority for the finance department and treasurer's office.

(Continued)

*LAURENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2007*

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

Item 2007-7: Dual General Ledger Reconciliation and Cash Account Reconciliation(s)

Condition

The general ledger (CSI) is not currently reconciled timely with Smith Data System and cash accounts held by the treasurer.

Criteria

The County's general ledger should be reconciled on a monthly basis within reasonable period after a month close. Cash accounts should be reconciled to the general ledger.

Effect

Management is unable to provide monthly financial reporting that is accurate and timely and include all information needed to properly forecast needs of Laurens County and related resources available.

Recommendation

We recommend management develop detailed procedures and implement process to reconcile the general ledger within CSI and all cash accounts be reconciled within CSI on an accrual basis.

Management Response

The County has employed an additional staff in the fall of 2007 and reassigning tasks for various employees within the finance department. This additional employee will focus on the issues found. The finance department is in the process of analyzing accounting processes to evaluate current procedures and implement new procedures. This is the highest priority for the finance department and treasurer's office.

**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, 2007*

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**Accounting Personnel (Finding Number 2006-1)**

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, 2007. A similar finding is noted in the audit for the year ended June 30, 2007. The County did employ an individual subsequent to June 30, 2007.

**Reconciling General Ledger Accounts (Finding Number 2006-2)**

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, 2007. A similar finding is noted in the audit for the year ended June 30, 2007. The County has employed an individual subsequent to June 30, 2007 to have responsibilities including reconciling the general ledger accounts.

**"C" Funds (Finding Number 2006-3)**

Condition and Criteria

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

*LAURENS COUNTY, SOUTH CAROLINA*  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*For the year ended June 30, 2007*

**FINDINGS - FINANCIAL STATEMENTS AUDIT, Continued**

**"C" Funds (Finding Number 2006-3), Continued**

Current status

The recommendation was not put into place during the fiscal year ended June 30, 2007. A similar finding is noted in the audit for the year ended June 30, 2007. The County has employed an individual subsequent to June 30, 2007 to have responsibilities including reconciling "C" funds and record appropriately on the general ledger.