

**LAURENS COUNTY,
SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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, 2008 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 \$105,602,100, \$68,854,908, \$36,747,192, \$86,148,463, and \$87,374,029, respectively.

In our opinion, because of the omission of the discretely presented component units as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the discretely presented component units of Laurens County, South Carolina as of June 30, 2008, 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, 2008, 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 23, 2009 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina
March 23, 2009

Elliott Davis LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of County of Laurens annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2008. 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, 2008 by \$84.5 million (net assets). Of this amount \$8.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County repaid \$1.9 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was increased by \$3.7 million.
- The general fund actual revenues were \$3.0 million greater than budgeted and general fund expenditures were \$613 thousand less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire County government (except Fiduciary funds)	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All agency assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	

GOVERNMENT-WIDE STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The County has two kinds of funds:

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net assets

The County's combined net assets increased \$2.0 million or 2.4% between fiscal years 2007 and 2008. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2007	2008	
Current and other assets	\$ 40,295	\$ 40,337	0.1%
Capital assets	83,784	80,574	-3.8%
Total assets	124,079	120,911	-2.6%
Long-term debt outstanding	7,434	6,066	-18.4%
Other liabilities	34,147	30,384	-11.0%
Total liabilities	41,581	36,450	-12.3%
Net assets			
Invested in capital assets, net of related debt	76,772	74,966	-2.4%
Restricted	567	564	-0.5%
Unrestricted	5,160	8,931	73.1%
Total net assets	<u>\$ 82,499</u>	<u>\$ 84,461</u>	2.4%

Net unrestricted assets of our governmental activities increased by \$3.8 million. Capital assets of \$1.5 million were acquired while depreciation expense on existing capital assets totaled \$4.7 million.

Changes in net assets. The County's total revenues increased by 6.0 percent to \$34.3 million. (See Table A-2) Approximately 56 percent of the County's total revenue comes from property taxes, 22 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 increased approximately \$1.3 million or 4.2 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 5.9 percent, while total expenses increased 4.2 percent.

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

	Governmental Activities		Total Percentage Change
	2007	2008	
Revenues			
Program Revenues			
Charges for services	\$ 6,742	\$ 7,470	10.8%
Operating grants and contributions	556	919	65.3%
Capital grants and contributions	2,711	2,267	-16.4%
General Revenues			
Property taxes	18,457	19,294	4.5%
Other taxes	67	73	9.0%
Intergovernmental	3,606	4,009	11.2%
Other	268	296	10.4%
Total revenues	<u>32,407</u>	<u>34,328</u>	5.9%
Expenses			
General government	9,988	11,142	11.6%
Public safety	11,590	11,794	1.8%
Public works	6,889	7,024	2.0%
Health and welfare	245	271	10.6%
Culture and recreation	724	748	3.3%
Intergovernmental and private nonprofit	380	361	-5.0%
Economic development	439	252	-42.6%
Miscellaneous	497	515	3.6%
Interest and fiscal charges	321	259	-19.3%
Total expenses	<u>31,073</u>	<u>32,366</u>	4.2%
Increase (decrease) in net assets	<u>\$ 1,334</u>	<u>\$ 1,962</u>	47.1%

Total revenues were \$1.9 million greater than the prior year. Property taxes collected were \$837 thousand greater than the prior year. Charges for services and fines and fees were \$728 thousand greater than the prior year, and intergovernmental revenues including grants were \$322 thousand greater than the prior year. In addition, expenses were \$1.3 million greater than the prior year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$9.1 million which is an improvement compared to the prior year.

General Fund Budgetary Highlights

Actual general fund expenditures were \$612 thousand less than budget amounts, primarily resulting from significant positive variances in capital expenditures, fringe benefits, vehicle insurance and contingency accounts.

The resources available for appropriation were \$3.0 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 2008, the County had invested \$80.6 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 \$1.5 million. However, after depreciation capital assets decreased \$3.2 million or 3.8 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
	2007	2008	
Land	\$ 832	\$ 832	0.0%
Construction in progress	689	903	31.1%
Buildings and improvements	18,680	18,680	0.0%
Furniture, fixtures and equipment	10,370	10,542	1.7%
Infrastructure	106,543	107,222	0.6%
Accumulated depreciation	(53,330)	(57,606)	8.0%
Total net assets	\$ 83,784	\$ 80,573	-3.8%

This year's major capital asset additions included:

- \$680 thousand in infrastructure improvements.
- \$213 thousand in construction in progress for Old Laurens Road project.
- \$593 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 \$5.6 million in bonds and capital lease obligations outstanding, a decrease of 20.0 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
	2007	2008	
General obligation bonds	\$ 3,289	\$ 2,562	-22.1%
Revenue bonds	540	370	-31.5%
Special source bonds	2,045	1,774	-13.3%
Capital lease obligations	1,139	902	-20.8%
Total	<u>\$ 7,013</u>	<u>\$ 5,608</u>	-20.0%

This year's major outstanding debt changes included:

- \$391 thousand in new capital lease agreements.
- \$117 thousand in new special tax project debt.
- \$1.9 million in bond, note and lease repayments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 9.3 percent versus 7.3 percent a year ago. This compares favorably with the state's rate of 9.5 but unfavorably with the national rate of 7.2 percent.

These indicators were taken into account when adopting the general fund budget for 2009. The general "operating" fund budget for 2009 is \$22,965,748.

The County employees received a 3 percent cost of living increase effective July 1, 2008 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). A salary survey was conducted by the Archer Company for the 2009 budget. An adjustment of \$274,000 in additional salaries was funded during the budget process to bring all county employee salaries to the minimum salary documented in the survey. Capital expenditures approved in the fiscal year 2009 capital budget were \$763,300. The County has added no major new programs or initiatives to the 2009 budget.

With the approval of the 2009 budget the County should continue to move in a positive direction. The 2009 budget was prepared with the continuation of the initiative to adequately fund departments. County Council recommended the County establish a goal of preparing a budget that will support the County's goal of establishing reserves to build a solid financial structure for future growth of County Services provided to its citizens.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 36,283,213
Investments	358,212
Receivables:	
Taxes - Net	1,071,997
Other	666,438
Due from other governments	1,957,216
Capital assets:	
Land	832,504
Construction in progress	902,725
Buildings and improvements	18,680,506
Vehicles and equipment	10,541,635
Infrastructure assets	107,222,278
Less accumulated depreciation	(57,605,885)
Total capital assets, net of depreciation	80,573,763
Total assets	120,910,839
 LIABILITIES	
Accounts payable	1,601,175
Due to other governmental units	28,137,378
Accrued wages and benefits	541,816
Accrued interest payable	103,598
Long-term liabilities:	
Due within one year	1,941,837
Due in more than one year	4,123,667
Total liabilities	36,449,471
 NET ASSETS	
Invested in capital assets net of related debt	74,965,698
Restricted for:	
Debt service	564,086
Unrestricted	8,931,584
Total net assets	\$ 84,461,368

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

LAURENS COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 35,471,733	\$ -	\$ 811,480	\$ 36,283,213
Investments	358,212	-	-	358,212
Property taxes receivable - Net	756,760	181,903	133,334	1,071,997
Accounts receivable	666,438	-	-	666,438
Due from other governments	1,957,216	-	-	1,957,216
Due from other funds	-	149,050	1,310,669	1,459,719
Total assets	\$ 39,210,359	\$ 330,953	\$ 2,255,483	\$ 41,796,795
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,589,995	\$ 7,153	\$ 4,027	\$ 1,601,175
Deferred revenue	696,638	170,379	125,323	992,340
Accrued wages and benefits	541,816	-	-	541,816
Due to other funds	1,459,719	-	-	1,459,719
Due to other local governments	28,137,378	-	-	28,137,378
Total liabilities	32,425,546	177,532	129,350	32,732,428
FUND BALANCES				
Reserved for:				
Debt service	-	-	564,086	564,086
Capital outlay	170,000	-	-	170,000
Unreserved:				
Designated	144,610	-	16,695	161,305
Undesignated reported in:				
General fund	6,470,203	-	-	6,470,203
Special revenue fund	-	153,421	1,545,352	1,698,773
Total fund balances	6,784,813	153,421	2,126,133	9,064,367
Total liabilities and fund balances	\$ 39,210,359	\$ 330,953	\$ 2,255,483	\$ 41,796,795

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, 2008

Total fund balances - Governmental funds	\$ 9,064,367
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	902,725
Buildings and improvements	18,680,506
Vehicles and equipment	10,541,635
Infrastructure	107,222,278
Accumulated depreciation	<u>(57,605,885)</u>
Total capital assets	<u>80,573,763</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	992,340
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	(2,562,053)
Special source revenue bond	(1,774,000)
Revenue notes payable	(369,913)
Capital leases payable	(902,099)
Accrued interest payable	(103,598)
Compensated absences	<u>(457,439)</u>
Total long-term liabilities	<u>(6,169,102)</u>
Net assets of governmental activities	<u>\$ 84,461,368</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, 2008

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 15,516,201	\$ 2,065,037	\$ 1,751,946	\$ 19,333,184
Licenses and permits	434,272	-	-	434,272
Intergovernmental revenue	7,292,762	-	-	7,292,762
Charges for services	6,716,250	-	-	6,716,250
Interest and investment income	106,643	-	23,209	129,852
Miscellaneous revenue	201,611	-	448,959	650,570
Total revenues	<u>30,267,739</u>	<u>2,065,037</u>	<u>2,224,114</u>	<u>34,556,890</u>
EXPENDITURES				
General government	11,063,545	-	-	11,063,545
Public safety	10,262,410	1,087,393	1,045,082	12,394,885
Public works	4,455,207	-	-	4,455,207
Health and welfare	233,312	-	-	233,312
Culture and recreation	701,041	-	-	701,041
Intergovernmental and private non-profit	361,322	-	-	361,322
Economic development	-	-	252,012	252,012
Debt service:				
Principal retirement	-	223,157	1,285,735	1,508,892
Interest and fiscal charges	-	23,421	272,786	296,207
Total expenditures	<u>27,076,837</u>	<u>1,333,971</u>	<u>2,855,615</u>	<u>31,266,423</u>
Excess of revenues over (under) expenditures	<u>3,190,902</u>	<u>731,066</u>	<u>(631,501)</u>	<u>3,290,467</u>
Other financing sources (uses):				
Capital lease agreements	390,717	-	-	390,717
Bond proceeds	117,431	-	-	117,431
Transfers in	-	-	592,657	592,657
Transfers out	-	(592,657)	-	(592,657)
Total other financing sources (uses)	<u>508,148</u>	<u>(592,657)</u>	<u>592,657</u>	<u>508,148</u>
Net change in fund balances	3,699,050	138,409	(38,844)	3,798,615
Fund balances, beginning of year	<u>3,085,763</u>	<u>15,012</u>	<u>2,164,977</u>	<u>5,265,752</u>
Fund balances, end of year	<u>\$ 6,784,813</u>	<u>\$ 153,421</u>	<u>\$ 2,126,133</u>	<u>\$ 9,064,367</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 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

For the year ended June 30, 2008

Net change in fund balances - Total government funds	\$ 3,798,615
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	1,486,172
Depreciation expense	<u>(4,690,177)</u>
Excess of depreciation expense over capital outlay	<u>(3,204,005)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues decreased by this amount this year.	
	<u>(31,052)</u>
Capital lease agreements and bonds payable proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, other financing sources consisted of:	
Capital lease agreements	(390,717)
Bond proceeds	<u>(117,431)</u>
	<u>(508,148)</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	844,601
Special source principal retirement	271,000
Revenue notes payable	170,134
Capital lease payments	<u>627,390</u>
Total long-term debt repayment	<u>1,913,125</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>(43,393)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
	<u>37,063</u>
Change in net assets of government activities	<u>\$ 1,962,204</u>

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

**LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008**

ASSETS	
Cash and cash equivalents	\$ 916,446
Due from other funds	28,137,378
Property taxes receivable	<u>2,446,086</u>
Total assets	<u>\$ 31,499,910</u>

LIABILITIES	
Accounts payable	916,446
Due to other taxing districts and agencies	<u>30,583,464</u>
Total liabilities	<u>\$ 31,499,910</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 the primary government. However, the component units have not been presented in accordance with generally accepted accounting principles required for the reporting entity. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

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

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

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

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

BASIS OF PRESENTATION

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

Government-wide financial statements

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

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

Fund financial statements

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

(Continued)

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

Net assets

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

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

Revenues - exchange and non-exchange transactions

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred revenue

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

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

Interfund transactions

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

All other interfund transfers are reported as transfers.

Use of estimates

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

NOTE 2 - BUDGETARY ACCOUNTING AND REPORTING

Budgetary policies

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS

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

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

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

At June 30, 2008, the carrying amount of the County deposits was \$9,237,756 and the bank balance was \$9,519,817. 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, 2008 was \$983,754.

Investments

As of June 30, 2008, the County had the following investments:

Investment Type	Fair Value	Investment maturities (in years)				No maturity
		Less than 1	1-5	6-10	11-15	
U S Government Agency Obligations	\$ 318,879	\$ -	\$ -	\$ -	\$ 318,879	\$ -
Investment in mutual fund	39,333	-	-	-	-	39,333
Total investments	358,212	-	-	-	318,879	39,333
South Carolina local government investment pool	26,978,149	-	-	-	-	26,978,149
	<u>\$ 27,336,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,879</u>	<u>\$ 27,017,482</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's investment policy parallels state law and has no restrictions that would further limit its investment choices other than state law. As of June 30, 2008, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned.

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

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

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

Concentration of credit risk

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

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

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

Reported value of deposits	\$ 9,237,756
Fair value of investments	27,336,361
Cash on hand	<u>983,754</u>
	<u>\$ 37,557,871</u>
Cash and cash equivalents – Exhibit 3	\$ 36,283,213
Investments – Exhibit 3	358,212
Cash and cash equivalents – Exhibit 7	<u>916,446</u>
	<u>\$ 37,557,871</u>

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, 2008, was \$45,830 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2008.

Property tax receivables and allowances by major and other governmental funds as of June 30, 2008 were as follows:

	<u>General</u>	<u>Rural fire</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Property taxes receivable	\$ 772,204	\$ 185,615	\$ 136,056	\$ 1,093,875
Less: Allowance	<u>15,444</u>	<u>3,712</u>	<u>2,722</u>	<u>21,878</u>
Net taxes receivable	<u>\$ 756,760</u>	<u>\$ 181,903</u>	<u>\$ 133,334</u>	<u>\$ 1,071,997</u>

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

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance June 30, 2007	Increases	Decreases / Transfers	Balance June 30, 2008
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 832,504	\$ -	\$ -	\$ 832,504
Construction in progress	689,837	212,888	-	902,725
Total capital assets at historical cost not being depreciated	<u>1,522,341</u>	<u>212,888</u>	<u>-</u>	<u>1,735,229</u>
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	10,369,673	593,594	(421,632)	10,541,635
Infrastructure	106,542,588	679,690	-	107,222,278
Total capital assets at historical cost being depreciated	<u>135,592,767</u>	<u>1,273,284</u>	<u>(421,632)</u>	<u>136,444,419</u>
Less accumulated depreciation for:				
Buildings	(4,807,453)	(372,838)	-	(5,180,291)
Vehicles and equipment	(5,393,795)	(829,151)	414,607	(5,808,339)
Infrastructure	(43,129,067)	(3,488,188)	-	(46,617,255)
Total accumulated depreciation	<u>(53,330,315)</u>	<u>(4,690,177)</u>	<u>414,607</u>	<u>(57,605,885)</u>
Total capital assets being depreciated, net	<u>82,262,452</u>	<u>(3,416,893)</u>	<u>(7,025)</u>	<u>78,838,534</u>
Governmental activities capital assets, net	<u>\$ 83,784,793</u>	<u>\$ (3,204,005)</u>	<u>\$ (7,025)</u>	<u>\$ 80,573,763</u>

Depreciation expense was charged to the following function:

General Government	\$ 93,804
Public Safety	609,723
Public Works	3,799,043
Health and Welfare	140,705
Culture and Recreation	46,902
	<u> </u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,690,177</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, 2008 and 2007, salaries of \$9,561,534 and \$9,020,824 were paid by the County, respectively. Of that amount, \$3,615,767 and \$3,307,610, respectively were covered under the PORS and \$5,934,315 and \$5,713,214, 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, 2008 (6.50% for the year ended June 30, 2007 and 6.25% for the year ended June 30, 2006). During the fiscal years ended June 30, 2008, 2007 and 2006, the County contributed at an actuarially determined rate of 9.06%, 8.05% and 7.55% 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>
SCRS					
June 30, 2008	\$ 374,827	6.50%	\$ 546,550	8.05%	\$ 921,377
June 30, 2007	359,584	6.50%	468,484	8.05%	828,068
June 30, 2006	345,047	6.25%	430,043	7.55%	775,090
PORS					
June 30, 2008	\$ 235,025	6.50%	\$ 379,656	10.50%	\$ 614,681
June 30, 2007	214,996	6.50%	353,914	10.50%	568,910
June 30, 2006	216,604	6.50%	358,199	10.50%	574,803

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.

South Carolina Deferred Compensation Program, c/o ING, Post Office Box 5182, Boston, MA 02206-5182 (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, 2008:

Machinery and equipment	\$ 1,128,233
Less: Accumulated Depreciation	289,812
	<u>\$ 838,421</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, 2008:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>	<u>Operating lease payments</u>
2009	\$ 410,811	\$ 1,080
2010	410,811	720
2011	<u>153,782</u>	<u>-</u>
Total minimum lease payments	975,404	1,800
Less: Amount representing interest	<u>73,305</u>	<u>-</u>
Present value of future minimum lease payments	<u>\$ 902,099</u>	<u>\$ 1,800</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, 2008 taxable assessed property valuation net of exemptions of \$146,962,811 (unaudited), the legal debt limit is \$11,757,025, leaving a legal debt margin as of June 30, 2008 of \$9,759,058.

(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, 2008 are comprised of the following individual issues:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2008</u>	<u>Amounts due within one year</u>
General obligation bonds					
\$4,300,000, 1994 General Obligation Bonds, due in annual installments of \$350,000 to \$475,000 through April 1, 2009, interest at 5.65% to 6.00%	\$ 925,000	\$ -	\$ 450,000	\$ 475,000	\$ 475,000
\$3,700,000, 1998 General Obligation Bonds, due in annual installments of \$225,000 to \$375,000 through March 1, 2013, interest at 3.75%	1,900,000	-	275,000	1,625,000	300,000
\$1,000,000, 2000 General Obligation Bonds, due in annual installments of \$96,277 to \$125,413 through July 7, 2010, interest at 5.43%	464,223	-	107,016	357,207	112,826
\$117,431, 2007 General Obligation Bonds, due in annual installments of \$14,159 through April 1, 2017, interest at 4.09%	-	117,431	12,585	104,846	9,871
Total general obligation bonds	<u>3,289,223</u>	<u>117,431</u>	<u>844,601</u>	<u>2,562,053</u>	<u>897,697</u>
Special source revenue bonds					
\$2,500,000, 2004 Special Source Bond, due in annual installments of \$179,000 to \$276,000 through June 2015, interest at 4.25%	<u>2,045,000</u>	<u>-</u>	<u>271,000</u>	<u>1,774,000</u>	<u>266,000</u>
Revenue Notes Payable					
Various notes payable due in annual installments of \$180,216 to \$264,574 through June, 2010, interest at 5.55% to 8.99%	<u>540,047</u>	<u>-</u>	<u>170,134</u>	<u>369,913</u>	<u>179,831</u>
	<u>\$ 5,874,270</u>	<u>\$ 117,431</u>	<u>\$ 1,285,735</u>	<u>\$ 4,705,966</u>	<u>\$ 1,343,528</u>

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, 2008 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 897,697	\$ 113,122	\$ 1,010,819
2010	429,228	66,842	496,070
2011	461,123	48,712	509,835
2012	336,132	29,277	365,409
2013	386,587	16,634	403,221
2014-2017	<u>51,286</u>	<u>5,349</u>	<u>56,635</u>
	<u>\$ 2,562,053</u>	<u>\$ 279,936</u>	<u>\$ 2,841,989</u>

Available in the debt service fund is \$564,086 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2008 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	241,000	31,705	272,705
2014-2017	<u>505,000</u>	<u>32,342</u>	<u>537,342</u>
	<u>\$ 1,774,000</u>	<u>\$ 298,817</u>	<u>\$ 2,072,817</u>

The annual requirements to amortize all revenue notes payable outstanding as of June 30, 2008 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 179,831	\$ 21,085	\$ 200,916
2010	<u>190,082</u>	<u>10,835</u>	<u>200,917</u>
	<u>\$ 369,913</u>	<u>\$ 31,920</u>	<u>\$ 401,833</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, 2007	\$ 421,070	\$ 1,138,772	\$ 2,045,000	\$ 3,289,223	\$ 540,047	\$ 7,434,112
Amounts incurred	314,721	390,717	-	117,431	-	822,869
Amounts retired	(278,352)	(627,390)	(271,000)	(844,601)	(170,134)	(2,191,477)
Payable at June 30, 2008	<u>\$ 457,439</u>	<u>\$ 902,099</u>	<u>\$ 1,774,000</u>	<u>\$ 2,562,053</u>	<u>\$ 369,913</u>	<u>\$ 6,065,504</u>
Amounts due within one year	<u>\$ 227,292</u>	<u>\$ 371,017</u>	<u>\$ 266,000</u>	<u>\$ 897,697</u>	<u>\$ 179,831</u>	<u>\$ 1,941,837</u>

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

The balances of interfund receivables and payables at June 30, 2008, were as follows:

Receivable Fund	Payable Fund	Amount
Rural Fire	General Fund	\$ 149,050
Nonmajor Governmental - Fire Coordinator	General Fund	679,979
Nonmajor Governmental - Fire Department Debt Service	General Fund	71,914
Nonmajor Governmental - General Obligation Debt Service	General Fund	558,776
		<u>\$ 1,459,719</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, 2008 consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
Nonmajor Governmental Funds	Rural Fire	<u>\$ 592,657</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 fund balance are as follows:

<u>Balances of reservations and designations:</u>	<u>General Fund</u>
Child Support Enforcement	\$ 8,696
DSS	80,000
GIS system grant	50,000
Courthouse roof	80,000
Detention Center fencing	40,000
Detention Center commissary revenues	15,068
Drug Enforcement – State	39,479
DARE	1,367
	<u>\$ 314,610</u>

	<u>Nonmajor Governmental Funds</u>
Fire Coordinator	\$ 16,695
	<u>\$ 16,695</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, 2008 have not yet been conducted; therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

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

As of June 30, 2008, the Health Care System's obligations on the two bonds the County guarantees totaled \$8,685,000. The County provides a subsidy of \$637,810 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.

(Continued)

NOTE 14 - CONTINGENT LIABILITIES, Continued

As of June 30, 2008, the Water and Sewer Commission's obligations on the one bond the County guarantees totaled \$3,790,000. The County provides a subsidy of \$441,394 per year to the Water and Sewer Commission which is funded by a tax levy. The Water and Sewer Commission places funds for its next year's debt payments related to their bond issue with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Water and Sewer Commission Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

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

NOTE 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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

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

NOTE 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, 2008, \$16,886 in claims were paid and were reported in the general fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

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

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES				
Property taxes and current penalties	\$ 9,628,371	\$ 9,628,371	\$ 12,121,042	\$ 2,492,671
	<u>9,628,371</u>	<u>9,628,371</u>	<u>12,121,042</u>	<u>2,492,671</u>
LICENSES AND PERMITS				
Utility franchise fee	173,600	173,600	138,113	(35,487)
Building permits	250,000	250,000	217,987	(32,013)
Mobile home licenses	88,000	88,000	76,997	(11,003)
Septic tank fee	2,000	2,000	1,175	(825)
	<u>513,600</u>	<u>513,600</u>	<u>434,272</u>	<u>(79,328)</u>
INTERGOVERNMENTAL REVENUE				
Local government fund	3,600,000	3,600,000	4,008,627	408,627
BJA Grant	24,777	24,777	24,777	-
EMS Grant	50,500	50,500	45,185	(5,315)
Motor Carrier	2,500	2,500	-	(2,500)
Municipal Inmate housing	4,000	4,000	19,785	15,785
Veterans Service Office	6,865	6,865	7,283	418
National Forest fund	65,000	65,000	64,263	(737)
Registration Board	80,000	80,000	41,379	(38,621)
Department of Social Services	46,000	46,000	45,995	(5)
Dept. of Health and Environmental Control	26,500	26,500	18,248	(8,252)
Child support	-	-	173,344	173,344
Accommodations tax	75,000	75,000	72,928	(2,072)
State salary supplement	6,300	6,300	45,507	39,207
Laurens and Clinton PD for Comm	62,474	62,474	47,628	(14,846)
Laurens/Clinton PD - Vict. Ass't	72,330	72,330	31,832	(40,498)
Laurens/Clinton/Cross Hill Mag	30,000	30,000	27,288	(2,712)
Tire Fee Rebate	29,500	29,500	31,882	2,382
Cooperative Capital Credit Distribution	2,000	2,000	2,852	852
Merchants inventory exempt	40,500	40,500	40,841	341
One percent monies - Greenville	15,000	15,000	10,812	(4,188)
Environmental Control Penalty	2,000	2,000	4,250	2,250
	<u>4,241,246</u>	<u>4,241,246</u>	<u>4,764,706</u>	<u>523,460</u>
CHARGES FOR SERVICES				
Clerk of Court fines and fees	700,000	700,000	583,879	(116,121)
Judge of Probate fees	115,000	115,000	107,610	(7,390)
Collection of city taxes	16,500	16,500	20,931	4,431
Treasurer's costs	87,000	87,000	32,786	(54,214)
Treasurer's other income	1,208	1,208	1,813	605
Sheriff fees	8,401	8,401	8,900	499
Cross Hill support/sheriff	23,693	23,693	17,723	(5,970)
Vital statistics	17,000	17,000	1,532	(15,468)
Clerk victim's assistance	64,781	64,781	32,019	(32,762)
Magistrate victim's assistance	74,277	74,277	57,201	(17,076)
Magistrate fines and fees	700,000	700,000	688,886	(11,114)
Vehicle road fee	881,880	881,880	863,455	(18,425)
E-911 cell phone fees	80,000	80,000	146,650	66,650
E-911 telephone fees	320,000	320,000	249,543	(70,457)
Emergency medical services fees	1,600,000	1,600,000	1,812,022	212,022
Detention Center Phone Commission	150	150	22,223	22,073
Residential landfill fees	1,800,467	1,800,467	1,895,773	95,306
Coroner fees	150	150	85	(65)
Road and bridge fees	8,700	8,700	3,877	(4,823)
Decal Fees	1,500	1,500	41,373	39,873
School District 55 SRO Match	80,000	80,000	127,969	47,969
	<u>6,580,707</u>	<u>6,580,707</u>	<u>6,716,250</u>	<u>135,543</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
MISCELLANEOUS REVENUE				
Building rental	600	600	673	73
Reimbursement from Fire - Admin Costs	50,000	50,000	-	(50,000)
Reimbursement from Victims' Assistance - Admin Costs	25,000	25,000	-	(25,000)
Miscellaneous	174,035	174,035	50,390	(123,645)
Interest earned	3,000	3,000	106,643	103,643
	<u>252,635</u>	<u>252,635</u>	<u>157,706</u>	<u>(94,929)</u>
TOTAL BUDGETED REVENUES	\$ 21,216,559	\$ 21,216,559	\$ 24,193,976	2,977,417
NON-BUDGETED REVENUES				
Local options sales tax collected			2,948,305	
State funds for road maintenance "C Funds"			1,785,054	
Capital improvements			286,194	
Old Laurens Road Improvement Project			212,879	
Property taxes for technical education			160,660	
Fee in Lieu of Tax			115,584	
State drug revenue			69,410	
Koerber Truck Entrance Grant			97,169	
Taxiway project			56,809	
Sale of fixed assets			69,365	
HUD Grant Revenue			59,400	
GIS System State Grant			50,000	
Traffic safety grant			39,580	
Domestic Violence Grant Revenue			37,083	
Recorder of Deeds Revenue			33,534	
Detention Center Commissary			29,533	
Sex offender registration fees			11,100	
Miscellaneous			6,866	
LEMPG Grant Revenue			4,425	
DARE / Explorer & Community revenues			663	
County Park Rental Fee			150	
TOTAL NON-BUDGETED REVENUES			<u>6,073,763</u>	
TOTAL REVENUES			\$ 30,267,739	

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL
For the year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL GOVERNMENT				
Administration	\$ 388,881	\$ 388,881	\$ 383,982	\$ 4,899
County Council	90,678	90,678	98,563	(7,885)
Judge of Probate	203,734	203,734	197,331	6,403
Registration	139,768	139,768	173,387	(33,619)
Capital Expenditures	1,269,812	1,269,812	1,056,048	213,764
Human Resources	79,493	79,493	80,776	(1,283)
Finance Department	185,800	185,800	182,025	3,775
Risk Management	34,175	34,175	36,079	(1,904)
Purchasing/Vehicle Maintenance	66,162	66,162	68,159	(1,997)
Non-Departmental	4,012,726	4,012,726	3,625,010	387,716
Auditor	363,552	363,552	375,500	(11,948)
Treasurer	249,019	249,019	297,923	(48,904)
Miscellaneous	129,350	129,350	95,064	34,286
Tax Assessor	363,749	363,749	328,925	34,824
Clerk of Court	516,686	516,686	532,097	(15,411)
Buildings and Grounds Maintenance	627,753	627,753	635,494	(7,741)
Airport	56,049	56,049	45,578	10,471
Contingency	277,467	277,467	55,695	221,772
Magistrates	412,282	412,282	376,463	35,819
	<u>9,467,136</u>	<u>9,467,136</u>	<u>8,644,099</u>	<u>823,037</u>
PUBLIC SAFETY				
Coroner	135,282	135,282	132,736	2,546
E-911	443,449	443,449	426,502	16,947
Emergency Preparedness	41,359	41,359	25,418	15,941
Emergency Operations	647,143	647,143	620,827	26,316
Emergency Medical Services	2,656,512	2,656,512	2,707,097	(50,585)
Victims' Assistance	164,737	164,737	145,155	19,582
Sheriff	2,707,117	2,707,117	2,954,461	(247,344)
Detention Center	1,793,545	1,793,545	1,808,230	(14,685)
Road/Bridges	725,807	725,807	689,916	35,891
Inspection/Permits	284,530	284,530	270,778	13,752
	<u>9,599,481</u>	<u>9,599,481</u>	<u>9,781,120</u>	<u>(181,639)</u>
PUBLIC WORKS				
Public Works	128,918	128,918	127,378	1,540
Solid Waste Management	1,830,467	1,830,467	1,863,682	(33,215)
	<u>1,959,385</u>	<u>1,959,385</u>	<u>1,991,060</u>	<u>(31,675)</u>
HEALTH AND WELFARE				
Veterans Affairs	97,810	97,810	93,671	4,139
Health Department	14,250	14,250	16,127	(1,877)
Social Services	13,600	13,600	21,039	(7,439)
	<u>125,660</u>	<u>125,660</u>	<u>130,837</u>	<u>(5,177)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL
For the year ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CULTURE AND RECREATION				
Parks and Recreation	114,680	114,680	119,475	(4,795)
Library	<u>579,982</u>	<u>579,982</u>	<u>581,566</u>	<u>(1,584)</u>
	<u>694,662</u>	<u>694,662</u>	<u>701,041</u>	<u>(6,379)</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
Local Government Assistance	311,763	311,763	297,720	14,043
Special Appropriations	20,045	20,045	20,045	-
Clemson Extension	<u>43,900</u>	<u>43,900</u>	<u>43,557</u>	<u>343</u>
	<u>375,708</u>	<u>375,708</u>	<u>361,322</u>	<u>14,386</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 22,222,032</u>	<u>\$ 22,222,032</u>	<u>21,609,479</u>	<u>\$ 612,553</u>
NON-BUDGETED EXPENDITURES				
Local options sales tax distributed			2,346,662	
State for road maintenance			1,568,710	
Public Safety capital outlay			390,717	
Old Laurens Rd Improv Project			212,888	
Technical education			163,587	
Lakeview Acres special project			117,431	
Koerber truck entrance expenditures			115,471	
Economic development			114,750	
Indigent care			102,475	
HUD grant expenditures			59,400	
T-hangar & taxi lane project			58,174	
Taxiway matching grant			53,736	
Justice grant expense			45,968	
State drug forfeitures			29,931	
Sex offender registration fee due			13,050	
DARE program supplies			1,624	
Miscellaneous			<u>72,784</u>	
Total non-budgeted expenditures			<u>5,467,358</u>	
TOTAL EXPENDITURES			<u>\$ 27,076,837</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, 2008

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,065,037	\$ 2,025,250	\$ 39,787
Total revenues	<u>2,065,037</u>	<u>2,025,250</u>	<u>39,787</u>
EXPENDITURES			
Salaries and wages	275,508	370,132	94,624
Overtime	13,191	14,000	809
Fringe benefits	187,403	216,200	28,797
Equipment repairs	3,139	4,000	861
Maintenance contract	629	1,000	371
Vehicle repairs	8,417	10,000	1,583
Telephone	3,449	3,800	351
Dues and subscriptions	-	550	550
Training	835	1,000	165
Travel and meetings	-	250	250
Building repairs	5,302	10,000	4,698
First responder supplies	-	250	250
Cleaning supplies	127	1,000	873
Office supplies	249	500	251
Postage	-	100	100
Uniforms	3,836	4,500	664
Vehicle supplies	8,770	12,000	3,230
Fuel	8,939	-	(8,939)
Utilities	14,485	15,000	515
Insurance	84,819	-	(84,819)
Capital outlay	6,350	260,600	254,250
Debt service:			
Principal retirement	223,157	200,916	(22,241)
Interest	23,421	-	(23,421)
Fire contracts	450,150	752,278	302,128
Tax rebate to volunteers	3,063	15,000	11,937
Contingency	8,732	42,561	33,829
Total expenditures	<u>1,333,971</u>	<u>1,935,637</u>	<u>601,666</u>
Excess of revenues over expenditures	<u>731,066</u>	<u>89,613</u>	<u>641,453</u>
OTHER FINANCING USES			
Transfers out	(592,657)	(592,657)	-
Total other financing uses	<u>(592,657)</u>	<u>(592,657)</u>	<u>-</u>
Net change in fund balance	138,409	(503,044)	641,453
FUND BALANCES, BEGINNING OF YEAR	<u>15,012</u>	<u>15,012</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 153,421</u>	<u>\$ (488,032)</u>	<u>\$ 641,453</u>

LAURENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 811,480	\$ -	\$ 811,480
Property taxes receivable - net	43,670	89,664	133,334
Due from other funds	751,893	558,776	1,310,669
Total assets	\$ 1,607,043	\$ 648,440	\$ 2,255,483
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,027	\$ -	\$ 4,027
Deferred revenue	40,969	84,354	125,323
Total liabilities	44,996	84,354	129,350
FUND BALANCES			
Reserved for:			
Debt service	-	564,086	564,086
Unreserved:			
Designated	16,695	-	16,695
Undesignated	1,545,352	-	1,545,352
Total fund balances	1,562,047	564,086	2,126,133
Total liabilities and fund balances	\$ 1,607,043	\$ 648,440	\$ 2,255,483

LAURENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Property taxes	\$ 418,377	\$ 975,656	\$ 1,394,033
Fee in lieu of taxes	-	357,913	357,913
Interest	2,177	21,032	23,209
Miscellaneous	448,959	-	448,959
Total revenues	<u>869,513</u>	<u>1,354,601</u>	<u>2,224,114</u>
EXPENDITURES			
Public safety	1,045,082	-	1,045,082
Economic development	252,012	-	252,012
Debt service:			
Principal retirement	170,134	1,115,601	1,285,735
Interest and fiscal charges	30,783	242,003	272,786
Total expenditures	<u>1,498,011</u>	<u>1,357,604</u>	<u>2,855,615</u>
Excess of revenues over expenditures	<u>(628,498)</u>	<u>(3,003)</u>	<u>(631,501)</u>
Other financing sources (uses):			
Transfers in	592,657	-	592,657
Total other financing sources (uses)	<u>592,657</u>	<u>-</u>	<u>592,657</u>
Net change in fund balances	<u>(35,841)</u>	<u>(3,003)</u>	<u>(38,844)</u>
Fund balances, beginning of the year	<u>1,597,888</u>	<u>567,089</u>	<u>2,164,977</u>
Fund balances, end of the year	<u>\$ 1,562,047</u>	<u>\$ 564,086</u>	<u>\$ 2,126,133</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS

Cash and cash equivalents	\$ 35,471,733
Investments	358,212
Property taxes receivable - Net	756,760
Accounts receivable	666,438
Due from other governments	<u>1,957,216</u>
 Total assets	 <u>\$ 39,210,359</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	\$ 1,589,995
Deferred revenue	696,638
Accrued wages and benefits	541,816
Due to other funds	1,459,719
Due to other local governments	<u>28,137,378</u>
Total liabilities	<u>32,425,546</u>
 Fund balances	
Reserved for capital expenditures	170,000
Designated	144,610
Unreserved	
Undesignated	<u>6,470,203</u>
Total fund balances	<u>6,784,813</u>
 Total liabilities and fund balances	 <u>\$ 39,210,359</u>

*LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the year ended June 30, 2008*

REVENUES	\$ 30,267,739
EXPENDITURES	<u>27,076,837</u>
Excess of revenues over expenditures	3,190,902
Other financing sources	
Issuance of bonds	117,431
Capital lease agreements	<u>390,717</u>
Total other financing sources	<u>508,148</u>
Net change in fund balance	3,699,050
FUND BALANCE, BEGINNING OF YEAR	<u>3,085,763</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,784,813</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT				
Administration				
Salaries and wages	\$ 137,881	\$ 137,881	\$ 138,486	\$ (605)
Professional services	180,000	180,000	187,473	(7,473)
Computer maintenance	2,500	2,500	29,950	(27,450)
Vehicle maintenance	750	750	17	733
Telephone	4,950	4,950	2,832	2,118
Advertising notices	2,000	2,000	2,224	(224)
Memberships/dues	300	300	14,434	(14,134)
Travel/meetings	3,000	3,000	2,700	300
Computer supplies	4,000	4,000	428	3,572
Office supplies	3,500	3,500	2,452	1,048
Postage	5,000	5,000	1,192	3,808
Vehicle supplies	3,000	3,000	42	2,958
Vehicle Fuel	-	-	1,752	(1,752)
Publish Ordinances	8,000	8,000	-	8,000
Matching grant	34,000	34,000	-	34,000
	<u>388,881</u>	<u>388,881</u>	<u>383,982</u>	<u>4,899</u>
County Council				
Salaries and wages	61,378	61,378	59,912	1,466
Cell phones/pagers	2,500	2,500	2,848	(348)
Travel/per diem	16,800	16,800	17,217	(417)
Travel/meetings	10,000	10,000	18,586	(8,586)
	<u>90,678</u>	<u>90,678</u>	<u>98,563</u>	<u>(7,885)</u>
Judge of Probate				
Salaries and wages	170,874	170,874	167,411	3,463
Court reporter fees	750	750	-	750
Transports/mental exams	250	250	75	175
Computer maintenance	4,200	4,200	4,395	(195)
Equipment maintenance	3,500	3,500	4,130	(630)
Telephone	3,960	3,960	3,444	516
Memberships/dues	250	250	122	128
Travel/per diem	2,400	2,400	2,400	-
Travel/meetings	2,500	2,500	1,671	829
Office supplies	6,000	6,000	5,783	217
Postage and postage meter	3,800	3,800	3,688	112
Copier	4,500	4,500	4,212	288
Court fees/jury trials	750	750	-	750
	<u>203,734</u>	<u>203,734</u>	<u>197,331</u>	<u>6,403</u>
Registration				
Salaries	88,368	88,368	85,142	3,226
Equipment maintenance	6,500	6,500	4,690	1,810
Telephone	6,000	6,000	5,672	328
Memberships/dues	400	400	240	160
Travel/per diem	5,000	5,000	2,291	2,709
Travel/meetings	2,500	2,500	10,098	(7,598)
Election supplies	14,000	14,000	5,151	8,849
Office supplies	4,000	4,000	2,156	1,844
Postage	5,500	5,500	5,735	(235)
Ballots, poll workers, legal ads	7,500	7,500	52,212	(44,712)
	<u>139,768</u>	<u>139,768</u>	<u>173,387</u>	<u>(33,619)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT, Continued				
Capital Expenditures				
Magistrate Computer	55,000	55,000	2,438	52,562
GIS system	130,000	130,000	136,187	(6,187)
Building maintenance	508,000	508,000	259,244	248,756
Charter fiber network	-	-	594	(594)
Auto/Lease Purchase	132,500	132,500	158,764	(26,264)
Sheriff N800 Pal RadioSys	6,200	6,200	9,078	(2,878)
Equipment	12,000	12,000	38,387	(26,387)
Vehicles/Apparatus	-	-	106,574	(106,574)
Vehicles - Sheriff	137,500	137,500	250,529	(113,029)
Computer Equipment	-	-	6,920	(6,920)
Vehicles/Sterilite PILOT	288,612	288,612	87,333	201,279
	<u>1,269,812</u>	<u>1,269,812</u>	<u>1,056,048</u>	<u>213,764</u>
Human Resources				
Salaries	65,958	65,958	67,620	(1,662)
Telephone	1,800	1,800	1,723	77
Advertising notices	6,000	6,000	6,906	(906)
Memberships/dues	335	335	35	300
Training	1,000	1,000	426	574
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,800	1,800	578	1,222
Office supplies	1,100	1,100	1,934	(834)
Postage	300	300	354	(54)
	<u>79,493</u>	<u>79,493</u>	<u>80,776</u>	<u>(1,283)</u>
Finance Department				
Salaries and wages	140,000	140,000	104,625	35,375
Computer maintenance	27,000	27,000	59,295	(32,295)
Telephone	2,500	2,500	2,241	259
Membership/dues	300	300	932	(632)
Travel/per diem	1,800	1,800	1,200	600
Travel/meetings	1,000	1,000	2,047	(1,047)
Office supplies	6,000	6,000	6,983	(983)
Postage	7,200	7,200	4,702	2,498
	<u>185,800</u>	<u>185,800</u>	<u>182,025</u>	<u>3,775</u>
Risk Management				
Salaries and wages	29,175	29,175	30,547	(1,372)
Cell Phones	500	500	427	73
Telephone	700	700	941	(241)
Travel/per diem	1,200	1,200	1,267	(67)
Travel/meetings	500	500	297	203
Computer supplies	-	-	82	(82)
Office supplies	1,000	1,000	1,119	(119)
Postage	100	100	171	(71)
Safety Reward Program	1,000	1,000	1,228	(228)
	<u>34,175</u>	<u>34,175</u>	<u>36,079</u>	<u>(1,904)</u>
Purchasing/Vehicle Maintenance				
Salaries and wages	41,407	41,407	42,843	(1,436)
Vehicle maintenance	1,700	1,700	2,162	(462)
Copying machine lease	17,500	17,500	16,067	1,433
Cell phone	650	650	953	(303)
Telephone	1,080	1,080	1,244	(164)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT, Continued				
Purchasing/Vehicle Maintenance, Continued				
Advertising notices	800	800	633	167
Travel/meetings	450	450	280	170
Computer supplies	300	300	225	75
Office supplies	300	300	316	(16)
Postage	75	75	45	30
Vehicle supplies	1,900	1,900	2,168	(268)
Vehicle Fuel	-	-	1,223	(1,223)
	<u>66,162</u>	<u>66,162</u>	<u>68,159</u>	<u>(1,997)</u>
Non-Departmental (Ins. & Benefits)				
Fringe benefits	3,597,626	3,597,626	3,199,420	398,206
Tort liability	155,000	155,000	308,986	(153,986)
Vehicle insurance	260,000	260,000	116,533	143,467
Audit/bank charges	100	100	71	29
	<u>4,012,726</u>	<u>4,012,726</u>	<u>3,625,010</u>	<u>387,716</u>
Auditor				
Salaries and wages	117,077	117,077	121,037	(3,960)
Equipment maintenance	950	950	923	27
Smith data contracts	230,000	230,000	240,550	(10,550)
Copier lease/rental	-	-	3,694	(3,694)
Telephone	4,950	4,950	2,728	2,222
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,500	1,500	1,372	128
Office supplies	2,500	2,500	2,460	40
Postage	875	875	872	3
Copier-auditor/treasury	4,500	4,500	664	3,836
	<u>363,552</u>	<u>363,552</u>	<u>375,500</u>	<u>(11,948)</u>
Treasurer				
Salaries and wages	177,699	177,699	181,050	(3,351)
Equipment maintenance	500	500	511	(11)
Telephone	4,500	4,500	3,073	1,427
Training	2,000	2,000	5,545	(3,545)
Travel/per diem	3,600	3,600	9,363	(5,763)
Office supplies	5,720	5,720	7,910	(2,190)
Postage	55,000	55,000	89,959	(34,959)
Vehicle Fuel	-	-	512	(512)
	<u>249,019</u>	<u>249,019</u>	<u>297,923</u>	<u>(48,904)</u>
Miscellaneous				
Public defender	50,000	50,000	50,000	-
Public defender contingency	30,000	30,000	-	30,000
Pauper Funerals	500	500	600	(100)
Watershed maintenance	30,000	30,000	30,000	-
Soil conservation rent	1,200	1,200	1,200	-
Bonds on employees	5,000	5,000	2,018	2,982
Family court telephone	4,000	4,000	3,337	663
Circuit judge phone	3,000	3,000	2,659	341
Soil conservation	3,350	3,350	3,350	-
Delegation	1,900	1,900	1,900	-
Health district meetings	400	400	-	400
	<u>129,350</u>	<u>129,350</u>	<u>95,064</u>	<u>34,286</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT, Continued				
Tax Assessor				
Salaries and wages	280,610	280,610	269,254	11,356
Equipment maintenance	3,500	3,500	1,149	2,351
Copy machine lease	7,855	7,855	7,729	126
Map copier lease	-	-	366	(366)
Postage meter lease	2,500	2,500	5,155	(2,655)
Telephone	3,000	3,000	3,304	(304)
Training	9,250	9,250	9,935	(685)
Travel/per diem	28,800	28,800	27,000	1,800
Office supplies	3,210	3,210	2,339	871
Postage	22,500	22,500	213	22,287
Machines / Equipment	2,524	2,524	2,481	43
	<u>363,749</u>	<u>363,749</u>	<u>328,925</u>	<u>34,824</u>
Clerk of Court				
ROD expenses	-	-	7,429	(7,429)
Child support enforcement	-	-	22,942	(22,942)
Salaries and wages	330,486	330,486	327,214	3,272
Advance drug testing	-	-	36	(36)
Jurors expense	70,000	70,000	45,792	24,208
Equipment maintenance	63,000	63,000	53,251	9,749
Maint. Contracts	-	-	180	(180)
Copier lease	-	-	11,520	(11,520)
Telephone	8,500	8,500	9,309	(809)
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	1,000	1,000	1,301	(301)
Department supplies	500	500	-	500
Office supplies	15,000	15,000	13,506	1,494
Postage	27,000	27,000	27,781	(781)
Vehicle Fuel	-	-	(649)	649
Child support reimbursement	-	-	11,285	(11,285)
	<u>516,686</u>	<u>516,686</u>	<u>532,097</u>	<u>(15,411)</u>
Building and Grounds Maintenance				
Salaries	197,393	197,393	198,175	(782)
Drug testing	-	-	94	(94)
Building maintenance	75,000	75,000	75,279	(279)
Maintenance contracts	24,000	24,000	24,074	(74)
Building insurance	70,200	70,200	56,639	13,561
Telephone	1,210	1,210	2,554	(1,344)
Department supplies	200	200	259	(59)
Janitorial supplies	25,000	25,000	21,241	3,759
Landscape maintenance supplies	15,000	15,000	10,761	4,239
Postage	50	50	-	50
Vehicle supplies	7,000	7,000	9,149	(2,149)
Utilities	172,000	172,000	190,939	(18,939)
Utilities/H.H.S. building	40,000	40,000	45,805	(5,805)
Miscellaneous and flags	700	700	525	175
	<u>627,753</u>	<u>627,753</u>	<u>635,494</u>	<u>(7,741)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT, Continued				
Airport				
Salaries and wages	30,924	30,924	30,882	42
Equipment maintenance	7,000	7,000	2,946	4,054
Airfield maintenance	-	-	1,567	(1,567)
Tractor maintenance	500	500	408	92
Telephone	750	750	669	81
Travel/meetings	800	800	1,210	(410)
Building maintenance supplies	500	500	585	(85)
Office supplies	-	-	244	(244)
Postage	75	75	26	49
Tractor supplies	750	750	354	396
Utilities	7,250	7,250	5,651	1,599
Matching FFA funds	7,500	7,500	1,036	6,464
	<u>56,049</u>	<u>56,049</u>	<u>45,578</u>	<u>10,471</u>
Contingency				
Contingency	<u>277,467</u>	<u>277,467</u>	<u>55,695</u>	<u>221,772</u>
Magistrates				
Salaries and wages	342,432	342,432	311,300	31,132
Jurors	12,000	12,000	14,960	(2,960)
Equipment maintenance	20,000	20,000	22,087	(2,087)
Building rent	2,800	2,800	2,400	400
Telephone	7,500	7,500	7,690	(190)
Memberships/dues	1,050	1,050	162	888
Training/memberships	1,500	1,500	1,972	(472)
Travel/per diem	6,000	6,000	5,550	450
Travel/meetings	8,000	8,000	242	7,758
Office supplies	6,000	6,000	6,627	(627)
Postage	5,000	5,000	3,473	1,527
	<u>412,282</u>	<u>412,282</u>	<u>376,463</u>	<u>35,819</u>
Total general government	<u>\$ 9,467,136</u>	<u>\$ 9,467,136</u>	<u>\$ 8,644,099</u>	<u>\$ 823,037</u>
PUBLIC SAFETY				
Coroner				
Salaries and wages	45,532	45,532	45,735	(203)
Advance drug testing	-	-	18	(18)
Autopsies	70,000	70,000	67,770	2,230
Vehicle maintenance	2,500	2,500	2,191	309
Copy machine lease	1,300	1,300	1,365	(65)
Cell phone	1,200	1,200	1,166	34
Internet	150	150	70	80
Pagers	400	400	178	222
Telephone	2,500	2,500	2,243	257
Membership/dues	400	400	200	200
Training	2,500	2,500	1,806	694
Travel/per diem	700	700	-	700
Department supplies	-	-	509	(509)
Office supplies	2,400	2,400	3,002	(602)
Vehicle supplies	4,200	4,200	656	3,544
Vehicle fuel	-	-	5,367	(5,367)
Equipment	1,500	1,500	460	1,040
	<u>135,282</u>	<u>135,282</u>	<u>132,736</u>	<u>2,546</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY, Continued				
E-911				
Salaries and wages	140,299	140,299	124,444	15,855
Call check maintenance	3,000	3,000	2,894	106
Headset repair/replacement	1,200	1,200	1,144	56
Plotter maintenance	1,250	1,250	529	721
911 office voice mail	2,000	2,000	1,410	590
Recorder maintenance	12,000	12,000	12,000	-
Vehicle maintenance	1,500	1,500	238	1,262
Work station maintenance	19,000	19,000	17,904	1,096
Telephone	105,000	105,000	115,347	(10,347)
911 director telephone	2,400	2,400	2,652	(252)
E-911 public awareness	1,500	1,500	1,494	6
Training	2,000	2,000	1,767	233
Computer supplies	1,500	1,500	1,495	5
Copier supplies	2,000	2,000	1,871	129
Office supplies	1,000	1,000	1,172	(172)
Plotter paper supplies	1,000	1,000	759	241
Postage	500	500	500	-
Uninterrupted power supply	2,000	2,000	1,881	119
Vehicle supplies	1,500	1,500	466	1,034
Vehicle Fuel	-	-	749	(749)
CAD lease purchase	119,800	119,800	113,446	6,354
CAD annual maintenance	23,000	23,000	22,340	660
	<u>443,449</u>	<u>443,449</u>	<u>426,502</u>	<u>16,947</u>
Emergency Preparedness				
Salaries and wages	18,409	18,409	3,081	15,328
Tornado siren	7,500	7,500	10,606	(3,106)
Rent/lease equipment	6,000	6,000	4,246	1,754
Telephone	1,800	1,800	3,546	(1,746)
Membership/Dues	250	250	-	250
Training	2,000	2,000	1,600	400
Travel	2,000	2,000	803	1,197
Office supplies	2,000	2,000	1,336	664
Postage	200	200	-	200
Uniforms	200	200	200	-
Machines/equipment	1,000	1,000	-	1,000
	<u>41,359</u>	<u>41,359</u>	<u>25,418</u>	<u>15,941</u>
Emergency Operations				
Salaries and wages	429,293	429,293	389,898	39,395
Overtime	66,950	66,950	80,995	(14,045)
Advance drug testing	-	-	72	(72)
COG mapping agreement	1,000	1,000	1,000	-
Charter records fiber network	6,000	6,000	5,725	275
DTN weather service	3,800	3,800	3,727	73
Service contract - Radio	36,800	36,800	36,102	698
Telephone maintenance	6,900	6,900	6,005	895
Vehicle maintenance	2,200	2,200	1,877	323
Copier lease	3,000	3,000	5,291	(2,291)
Pager	1,100	1,100	676	424
SLED NCIC terminal	7,500	7,500	4,032	3,468
Telephone	29,000	29,000	36,179	(7,179)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY, Continued				
Emergency Operations, Continued				
Emergency line	15,000	15,000	15,013	(13)
Printing and binding	750	750	26	724
Memberships/dues	500	500	443	57
Training	3,000	3,000	2,101	899
Travel/per diem	2,000	2,000	1,984	16
Computer supplies	1,500	1,500	1,406	94
Copier supplies	3,000	3,000	795	2,205
Office supplies	4,400	4,400	3,936	464
Postage	700	700	663	37
Road signs	10,000	10,000	8,858	1,142
Uniforms	500	500	249	251
Vehicle supplies	4,100	4,100	291	3,809
Vehicle Fuel	-	-	6,551	(6,551)
GIS Software Maintenance	3,100	3,100	3,100	-
Plotter 800 Snnual Maintenance	2,000	2,000	1,709	291
GIS Server Supplies	1,800	1,800	1,663	137
Walkie Talkie Monthly User Fee	1,250	1,250	460	790
	<u>647,143</u>	<u>647,143</u>	<u>620,827</u>	<u>26,316</u>
Emergency Medical Services				
Salaries and wages	968,200	968,200	972,993	(4,793)
Overtime	515,000	515,000	532,051	(17,051)
Holiday work pay	24,962	24,962	18,773	6,189
Fringe benefits	599,500	599,500	655,174	(55,674)
Professional development	7,000	7,000	5,106	1,894
Professional Services-ABC	65,000	65,000	81,325	(16,325)
Copier maintenance	-	-	3,133	(3,133)
Equipment and vehicle maintenance	96,500	96,500	88,587	7,913
Insurance	20,000	20,000	-	20,000
Technology	-	-	8,000	(8,000)
Cellular Phones	7,750	7,750	8,016	(266)
Telephone	24,000	24,000	21,565	2,435
Training	10,000	10,000	7,953	2,047
Travel	1,600	1,600	875	725
Building maintenace	7,500	7,500	6,616	884
Laundry and linen	500	500	110	390
Medical supplies	103,000	103,000	117,413	(14,413)
Office supplies	6,000	6,000	(56,334)	62,334
Uniforms	21,000	21,000	21,355	(355)
Vehicle supplies	125,000	125,000	102,956	22,044
Vehicle maintenance	-	-	61,123	(61,123)
Utilities	22,000	22,000	24,691	(2,691)
EMS grant	26,500	26,500	22,324	4,176
Infection control	5,000	5,000	3,034	1,966
Petty cash	500	500	258	242
	<u>2,656,512</u>	<u>2,656,512</u>	<u>2,707,097</u>	<u>(50,585)</u>
Victims' Assistance				
Salaries and wages	85,543	85,543	86,393	(850)
Fringe benefits	30,644	30,644	32,357	(1,713)
Professional services	15,000	15,000	7,163	7,837
Computer system maintenance	5,000	5,000	-	5,000

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY, Continued				
Victims' Assistance, Continued				
Vehicle maintenance	1,500	1,500	266	1,234
Fax	100	100	-	100
Telephone	4,500	4,500	3,703	797
Printing and binding	1,700	1,700	1,995	(295)
Dues	250	250	-	250
Travel/meetings	-	-	490	(490)
Travel/training	3,000	3,000	1,781	1,219
Copier supplies	250	250	141	109
Office supplies	1,000	1,000	792	208
Postage	500	500	163	337
Vehicle supplies	3,250	3,250	2,501	749
Vehicle fuel	-	-	1,832	(1,832)
Law tracks	5,500	5,500	5,461	39
Contingency	7,000	7,000	117	6,883
	<u>164,737</u>	<u>164,737</u>	<u>145,155</u>	<u>19,582</u>
Sheriff				
Salaries and wages	1,812,466	1,812,466	1,901,646	(89,180)
Overtime	140,000	140,000	157,585	(17,585)
Holiday work pay	26,651	26,651	21,318	5,333
Advance drug testing	-	-	1,318	(1,318)
Workers Compensation	-	-	-	-
Professional services	6,000	6,000	1,736	4,264
Transports/mental exams	500	500	-	500
Towing/storage seized vehicles	2,500	2,500	3,010	(510)
Computer maintenance	12,000	12,000	16,596	(4,596)
Copier lease	-	-	12,566	(12,566)
Telephone maintenance	-	-	2,156	(2,156)
Vehicle maintenance	200,000	200,000	213,730	(13,730)
Fidelity bonds	-	-	690	(690)
Telephone	60,000	60,000	43,941	16,059
Membership/Dues	-	-	1,503	(1,503)
Training	4,000	4,000	7,106	(3,106)
Travel/meetings	4,500	4,500	4,541	(41)
Sheriff N800 Palmetto Radio Service	40,000	40,000	17,619	22,381
Charter Wan Service	-	-	2,269	(2,269)
Department supplies	20,000	20,000	21,662	(1,662)
K-nine maintenance supplies	3,000	3,000	3,506	(506)
Office supplies	19,500	19,500	11,557	7,943
Postage	8,000	8,000	7,967	33
Reserve deputy supplies	2,000	2,000	831	1,169
Uniforms	40,000	40,000	48,663	(8,663)
Vehicle supplies	300,000	300,000	163,796	136,204
Vehicle fuel	-	-	267,474	(267,474)
Crime prevention program	1,500	1,500	1,516	(16)
Drug Fund/Stolen Property	500	500	740	(240)
DARE Program	2,500	2,500	2,812	(312)
Child support enforcement	-	-	13,397	(13,397)
Sex offender computer maintenance	1,500	1,500	1,210	290
	<u>2,707,117</u>	<u>2,707,117</u>	<u>2,954,461</u>	<u>(247,344)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY, Continued				
Detention Center				
Salaries and wages	923,945	923,945	930,597	(6,652)
Overtime	111,600	111,600	101,826	9,774
Physician and medical supplies	250,000	250,000	207,429	42,571
Systems maintenance	45,000	45,000	43,699	1,301
Telephone	16,000	16,000	21,814	(5,814)
Juvenile incarceration	25,000	25,000	43,475	(18,475)
Training	7,500	7,500	5,558	1,942
Department supplies	32,000	32,000	29,042	2,958
Laundry and linen	2,500	2,500	6	2,494
Janitorial supplies	40,000	40,000	35,062	4,938
Office supplies	14,000	14,000	14,864	(864)
Home Detention Supplies	1,000	1,000	(234)	1,234
Utilities	100,000	100,000	130,335	(30,335)
Food/provisions	225,000	225,000	230,272	(5,272)
Inmate welfare	-	-	14,485	(14,485)
	<u>1,793,545</u>	<u>1,793,545</u>	<u>1,808,230</u>	<u>(14,685)</u>
Road/Bridges				
Salaries and wages	346,002	346,002	334,937	11,065
Professional services	500	500	258	242
Vehicle maintenance	41,500	41,500	45,670	(4,170)
Telephone	1,080	1,080	1,163	(83)
Training	400	400	-	400
Bridge maintenance supplies	35,000	35,000	31,833	3,167
Dept supplies	175,000	175,000	139,761	35,239
Office supplies	500	500	344	156
Pipe	10,000	10,000	11,114	(1,114)
Postage	75	75	-	75
Road signs	10,000	10,000	9,998	2
Vehicle supplies	72,000	72,000	84,460	(12,460)
Utilities	5,750	5,750	6,261	(511)
Equipment	28,000	28,000	24,117	3,883
	<u>725,807</u>	<u>725,807</u>	<u>689,916</u>	<u>35,891</u>
Inspections/Permits				
Salaries	218,330	218,330	213,826	4,504
Employer Health Ins	-	-	816	(816)
Professional services	2,500	2,500	18	2,482
Vehicle maintenance	3,500	3,500	1,040	2,460
Copy machine lease	4,000	4,000	4,518	(518)
Postage machine lease	2,000	2,000	2,488	(488)
Telephone	6,600	6,600	6,632	(32)
Training/uniforms	9,000	9,000	6,046	2,954
Travel/per diem	4,000	4,000	3,024	976
Computer supplies	4,100	4,100	3,075	1,025
Office supplies	8,000	8,000	8,932	(932)
Demolition and cleanup	5,000	5,000	-	5,000
Vehicle supplies	17,500	17,500	11,262	6,238
Vehicle fuel	-	-	9,101	(9,101)
	<u>284,530</u>	<u>284,530</u>	<u>270,778</u>	<u>13,752</u>
Total public safety	<u>\$ 9,599,481</u>	<u>\$ 9,599,481</u>	<u>\$ 9,781,120</u>	<u>\$ (181,639)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS				
Public Works				
Salaries and wages	108,418	108,418	109,812	(1,394)
Vehicle maintenance	400	400	412	(12)
Telephone	2,100	2,100	2,160	(60)
Memberships/dues	400	400	279	121
Training	250	250	250	-
Travel/meetings	700	700	1,307	(607)
Office supplies	1,000	1,000	1,002	(2)
Postage	550	550	564	(14)
Uniforms	14,000	14,000	10,064	3,936
Vehicle supplies	1,100	1,100	928	172
Vehicle Fuel	-	-	600	(600)
	<u>128,918</u>	<u>128,918</u>	<u>127,378</u>	<u>1,540</u>
Solid Waste Management				
Salaries and wages	577,332	577,332	530,756	46,576
Fringe benefits	206,914	206,914	209,092	(2,178)
Professional services	1,900	1,900	488	1,412
Tire disposal fees	21,000	21,000	27,829	(6,829)
Well monitor	18,000	18,000	18,250	(250)
Equipment maintenance	109,800	109,800	86,813	22,987
Dump site maintenance	22,000	22,000	18,634	3,366
Telephone	2,000	2,000	2,511	(511)
Equipment supplies	115,200	115,200	114,810	390
Landfill supplies	38,500	38,500	11,136	27,364
Postage	-	-	29	(29)
Utilities	5,500	5,500	5,221	279
Transfer station fees	610,000	610,000	715,909	(105,909)
Litter/Humane equip. supplis	-	-	28,849	(28,849)
Miscellaneous	1,600	1,600	353	1,247
Contingency	59,010	59,010	51,291	7,719
Vehicle Lease/ Purchase	41,711	41,711	41,711	-
	<u>1,830,467</u>	<u>1,830,467</u>	<u>1,863,682</u>	<u>(33,215)</u>
Total public works	<u>\$ 1,959,385</u>	<u>\$ 1,959,385</u>	<u>\$ 1,991,060</u>	<u>\$ (31,675)</u>
HEALTH AND WELFARE				
Veterans Affairs				
Salaries and wages	82,310	82,310	75,798	6,512
Equipment maintenance	1,600	1,600	1,200	400
Vehicle maintenance	2,500	2,500	417	2,083
Telephone	2,800	2,800	4,312	(1,512)
Travel/meetings	1,500	1,500	1,003	497
Office supplies	1,500	1,500	2,714	(1,214)
Postage	600	600	505	95
Vehicle supplies	5,000	5,000	4,878	122
Vehicle fuel	-	-	2,844	(2,844)
	<u>97,810</u>	<u>97,810</u>	<u>93,671</u>	<u>4,139</u>
Health Department				
Telephone	14,000	14,000	15,892	(1,892)
Emergency contingency	250	250	235	15
	<u>14,250</u>	<u>14,250</u>	<u>16,127</u>	<u>(1,877)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
HEALTH AND WELFARE, Continued				
Social Services				
Telephone	13,600	13,600	21,039	(7,439)
Total health and welfare	<u>\$ 125,660</u>	<u>\$ 125,660</u>	<u>\$ 130,837</u>	<u>\$ (5,177)</u>
CULTURE AND RECREATION				
Parks and Recreation				
Salaries and wages	57,080	57,080	55,251	1,829
Professional services	500	500	756	(256)
Equipment maintenance	2,000	2,000	704	1,296
Grounds maintenance	13,000	13,000	14,232	(1,232)
Vehicle maintenance	1,000	1,000	906	94
Laurens YMCA	6,000	6,000	5,040	960
Training/membership dues	200	200	-	200
Travel/per diem	1,200	1,200	1,200	-
Travel/meetings	700	700	521	179
Department supplies	2,000	2,000	2,221	(221)
Postage	-	-	72	(72)
Vehicle supplies	4,000	4,000	2,360	1,640
Vehicle Fuel	-	-	2,319	(2,319)
Utilities	16,000	16,000	12,745	3,255
W.R. Grace royalties	(9,000)	(9,000)	-	(9,000)
Community projects	20,000	20,000	21,148	(1,148)
	<u>114,680</u>	<u>114,680</u>	<u>119,475</u>	<u>(4,795)</u>
Library				
Salaries	414,707	414,707	411,954	2,753
Professional services	5,275	5,275	5,508	(233)
Bookmobile maintenance	2,500	2,500	1,252	1,248
Computer maintenance	25,000	25,000	25,921	(921)
Equipment maintenance	8,000	8,000	8,121	(121)
Telephone	4,500	4,500	5,079	(579)
Travel/meetings	3,500	3,500	3,732	(232)
Bookmobile supplies	2,500	2,500	2,241	259
Department supplies	65,000	65,000	66,293	(1,293)
Office supplies	6,500	6,500	6,374	126
Postage	2,500	2,500	2,833	(333)
Utilities	40,000	40,000	42,258	(2,258)
	<u>579,982</u>	<u>579,982</u>	<u>581,566</u>	<u>(1,584)</u>
Total recreation	<u>\$ 694,662</u>	<u>\$ 694,662</u>	<u>\$ 701,041</u>	<u>\$ (6,379)</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT				
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	1,400	1,400	1,357	43
S.C. Association of Counties	14,000	14,000	-	14,000
Upper Savannah C.O.G.	49,200	49,200	49,200	-
	<u>311,763</u>	<u>311,763</u>	<u>297,720</u>	<u>14,043</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT, Continued				
Special Appropriations				
GLEAMNS	9,500	9,500	9,500	-
Laurens fed./blind	2,850	2,850	2,850	-
Senior options	<u>7,695</u>	<u>7,695</u>	<u>7,695</u>	-
	<u>20,045</u>	<u>20,045</u>	<u>20,045</u>	-
Clemson Extension				
Beautification project	900	900	900	-
4-H Project	35,000	35,000	35,000	-
Office supplies	2,500	2,500	2,530	(30)
Utilities	<u>5,500</u>	<u>5,500</u>	<u>5,127</u>	<u>373</u>
	<u>43,900</u>	<u>43,900</u>	<u>43,557</u>	<u>343</u>
Total intergovernmental and private non-profit	<u>\$ 375,708</u>	<u>\$ 375,708</u>	<u>361,322</u>	<u>\$ 14,386</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 22,222,032</u>	<u>\$ 22,222,032</u>	<u>21,609,479</u>	<u>\$ 612,553</u>
NON-BUDGETED EXPENDITURES				
Local options sales tax distributed			2,346,662	
State for road maintenance			1,568,710	
Public Safety capital outlay			390,717	
Old Laurens Rd Improv Project			212,888	
Technical education			163,587	
Lakeview Acres special project			117,431	
Koerber truck entrance expenditures			115,471	
Economic development			114,750	
Indigent care			102,475	
HUD grant expenditures			59,400	
T-hangar & taxi lane project			58,174	
Taxiway matching grant			53,736	
Justice grant expense			45,968	
State drug forfeitures			29,931	
Sex offender registration fee due			13,050	
DARE program supplies			1,624	
Miscellaneous			<u>72,784</u>	
Total non-budgeted expenditures			<u>5,467,358</u>	
TOTAL EXPENDITURES			<u>\$ 27,076,837</u>	

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2008**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn
ASSETS							
Cash held at fire departments	\$ -	\$ -	\$ -	\$ 85,939	\$ 85,944	\$ 36,213	\$ 111,872
Taxes receivable - Net	-	23,676	19,994	-	-	-	-
Due from other funds	-	679,979	71,914	-	-	-	-
Total assets	\$ -	\$ 703,655	\$ 91,908	\$ 85,939	\$ 85,944	\$ 36,213	\$ 111,872
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 4,027	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	22,249	18,720	-	-	-	-
Total liabilities	-	26,276	18,720	-	-	-	-
Fund balances							
Designated	-	16,695	-	-	-	-	-
Unreserved	-	660,684	73,188	85,939	85,944	36,213	111,872
Undesignated	-	677,379	73,188	85,939	85,944	36,213	111,872
Total fund balances	-	703,655	91,908	85,939	85,944	36,213	111,872
Total liabilities and fund balance	\$ -	\$ 703,655	\$ 91,908	\$ 85,939	\$ 85,944	\$ 36,213	\$ 111,872

(Continued)

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

June 30, 2008

	<u>Greenpond</u>	<u>Hickory Tavern</u>	<u>Joanna</u>	<u>Mountville</u>	<u>Renno</u>	<u>Sandy Springs</u>	<u>Waterloo</u>	<u>Western Laurens</u>	<u>Young's</u>	<u>Total</u>
ASSETS										
Cash held at fire departments	\$ 62,136	\$ 97,343	\$ 55,210	\$ 57,678	\$ 32,077	\$ 19,573	\$ 77,919	\$ 73,125	\$ 16,451	\$ 811,480
Taxes receivable - Net	-	-	-	-	-	-	-	-	-	43,670
Due from other funds	-	-	-	-	-	-	-	-	-	751,893
Total assets	\$ 62,136	\$ 97,343	\$ 55,210	\$ 57,678	\$ 32,077	\$ 19,573	\$ 77,919	\$ 73,125	\$ 16,451	\$ 1,607,043
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,027
Deferred revenue	-	-	-	-	-	-	-	-	-	40,969
Total liabilities	-	-	-	-	-	-	-	-	-	44,996
Fund balances										
Designated	-	-	-	-	-	-	-	-	-	16,695
Unreserved										
Undesignated	62,136	97,343	55,210	57,678	32,077	19,573	77,919	73,125	16,451	1,545,352
Total fund balances	62,136	97,343	55,210	57,678	32,077	19,573	77,919	73,125	16,451	1,562,047
Total liabilities and fund balance	\$ 62,136	\$ 97,343	\$ 55,210	\$ 57,678	\$ 32,077	\$ 19,573	\$ 77,919	\$ 73,125	\$ 16,451	\$ 1,607,043

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2008**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekam
REVENUES							
Property taxes	\$ -	\$ 208,057	\$ 210,320	\$ -	\$ -	\$ -	\$ -
Fundraising income	-	-	-	-	6,844	-	2,138
Interest	-	-	-	-	6	-	70
Other income	252,012	-	-	35,734	2,042	2,941	94
Total revenues	252,012	208,057	210,320	35,734	8,892	2,941	2,302
EXPENDITURES							
Salaries and wages	-	73,475	-	-	-	-	-
Fringe benefits	-	23,873	-	-	-	-	-
Professional services	-	4,986	-	-	-	-	-
Physician and medical supplies	-	13,738	-	-	-	-	-
Equipment repairs	-	2,996	-	562	2,106	2,867	25
Vehicle repairs	-	5,972	-	3,412	4,929	2,853	2,081
Rent expense	-	3,133	-	-	-	-	-
Telephone	-	8,086	-	5,732	1,694	1,295	706
Dues and subscriptions	-	1,123	-	25	72	75	565
Travel and meetings	-	3,862	-	473	846	2,138	292
Fire prevention supplies	-	2,672	-	-	-	-	-
Office supplies and equipment	-	3,489	-	-	-	-	-
Postage	-	1,731	-	-	765	1,779	-
Vehicle supplies	-	583	-	187	116	42	93
Fuel and oil	-	8,990	-	-	-	-	-
Books and publications	-	6,667	-	-	3,624	4,575	2,133
Building repairs (reimbursements)	-	165	-	177	727	40	-
Capital outlay	-	(11,220)	-	944	968	3,759	-
Bank charges	-	6,626	-	17,975	87,930	11,715	552
Advertising/printing/supplies	-	12,599	-	287	355	417	-
Utilities	-	-	-	286	112	112	12
General Supplies	-	-	-	4,046	7,111	2,918	3,864
Maintenance contract	-	-	-	1,220	2,220	-	85
1st responder supplies	-	-	-	27	943	220	-
Cleaning supplies	-	-	-	428	-	517	98
Other	-	-	-	1,007	146	6,999	132
Fundraising expense	-	-	-	-	5,893	-	767
Grant expense	-	-	-	15,996	-	-	-
Fire fighting supplies and equipment	-	-	-	30,680	22,891	15,831	1,398
Economic development	252,012	-	-	-	-	-	-

(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, 2008**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekorn
EXPENDITURES, Continued							
Contingency	-	5,398	-	-	-	-	-
Debt service:							
Principal	-	-	170,134	-	-	-	-
Interest	-	-	30,783	-	-	-	-
Total expenditures	252,012	178,944	200,917	90,336	143,448	58,040	12,803
Excess (deficiency) of revenues over expenditures	-	29,113	9,403	(54,602)	(134,556)	(55,099)	(10,501)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	89,650	48,830	41,625	30,090
Total other financing sources (uses)	-	-	-	89,650	48,830	41,625	30,090
Net change in fund balance	-	29,113	9,403	35,048	(85,726)	(13,474)	19,589
FUND BALANCES, BEGINNING OF YEAR	-	648,266	63,785	50,891	171,670	49,687	92,283
FUND BALANCES, END OF YEAR	-	677,379	73,188	85,939	85,944	36,213	111,872

(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, 2008**

	Greenpond	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,377
Fundraising income	3,022	-	-	11,685	-	-	-	-	-	23,689
Interest	-	1,285	6	327	1	6	16	455	5	2,177
Other income	2,197	55,953	3,709	33,811	1,658	23,450	5,339	-	6,330	425,270
Total revenues	5,219	57,238	3,715	45,823	1,659	23,456	5,355	455	6,335	869,513
EXPENDITURES										
Salaries and wages	-	-	-	-	-	-	-	-	-	73,475
Fringe benefits	-	-	-	-	-	-	-	-	-	23,873
Professional services	-	-	-	-	-	-	-	-	-	4,986
Physician and medical supplies	-	-	-	-	-	-	-	-	-	13,738
Equipment repairs	3,376	2,100	10,357	1,562	798	802	2,686	1,398	4,612	36,247
Vehicle repairs	2,866	1,392	5,737	5,373	2,407	3,272	1,769	5,220	2,659	49,942
Rent expense	-	-	-	-	-	-	-	-	-	3,133
Telephone	1,492	1,117	4,255	758	1,503	2,889	3,016	983	2,012	35,538
Dues and subscriptions	230	520	1,087	905	685	599	654	695	110	7,345
Training	395	325	335	235	205	420	1,635	2,263	459	13,883
Travel and meetings	250	-	-	970	-	-	-	-	-	3,892
Fire prevention supplies	-	125	-	-	427	740	338	235	-	3,489
Office supplies and equipment	-	41	174	72	41	176	98	594	41	6,140
Postage	82	-	-	-	-	-	-	-	-	2,340
Vehicle supplies	-	6,036	6,166	1,997	5,365	7,162	6,110	4,321	3,694	8,990
Fuel and oil	3,221	-	-	-	-	-	-	-	-	68,343
Books and publications	379	-	646	-	-	117	-	-	57	2,308
Building repairs (reimbursements)	3,068	474	5,115	141	1,294	958	203	488	1,385	7,377
Capital outlay	5,959	664	10,000	45,076	7,518	7,604	790	6,368	10,219	218,996
Bank charges	-	292	36	26	-	-	860	-	58	14,930
Advertising/printing/supplies	37	3,775	602	418	12	479	1,103	-	260	7,096
Utilities	1,729	6,734	10,534	2,479	3,357	5,487	5,072	4,262	3,657	61,250
General Supplies	-	-	-	-	-	-	-	-	-	-
Maintenance contract	200	-	-	208	-	528	1,915	-	1,211	7,587
1st responder supplies	527	145	-	380	77	962	62	144	-	3,487
Cleaning supplies	226	241	-	278	637	98	254	137	567	3,481
Other	737	3,582	3,358	981	296	4,204	212	381	2,171	24,206
Fundraising expense	3,517	-	-	12,058	-	-	-	-	-	22,235
Grant expense	-	54,522	629	-	1,725	-	6,831	-	-	79,303
Fire fighting supplies and equipment	18,523	34,680	6,492	17,718	10,592	30,678	16,811	16,599	8,981	231,874
Economic development	-	-	-	-	-	-	-	-	-	252,012

(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, 2008**

	Greenspond	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
EXPENDITURES, Continued										
Contingency	-	-	-	-	-	-	-	-	-	5,398
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	170,134
Interest	-	-	-	-	-	-	-	-	-	30,783
Total expenditures	46,814	116,765	65,523	91,635	36,939	67,175	50,419	44,088	42,153	1,498,011
Excess (deficiency) of revenues over expenditures	(41,595)	(59,527)	(61,808)	(45,812)	(35,280)	(43,719)	(45,064)	(43,633)	(35,818)	(628,498)
OTHER FINANCING SOURCES										
Transfers in	42,250	56,182	54,250	22,400	28,980	40,350	45,600	46,600	45,850	592,657
Total other financing sources (uses)	42,250	56,182	54,250	22,400	28,980	40,350	45,600	46,600	45,850	592,657
Net change in fund balance	655	(3,345)	(7,558)	(23,412)	(6,300)	(3,369)	536	2,967	10,032	(35,841)
FUND BALANCES, BEGINNING OF YEAR	61,481	100,688	62,768	81,090	38,377	22,942	77,383	70,158	6,419	1,597,888
FUND BALANCES, END OF YEAR	62,136	97,343	55,210	57,678	32,077	19,573	77,919	73,125	16,451	1,562,047

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
June 30, 2008

	Special Source Revenue Bond	General Obligation bond	Total
ASSETS			
Due from other funds	\$ -	\$ 558,776	\$ 558,776
Property taxes receivable	-	89,664	89,664
Total assets	\$ -	\$ 648,440	\$ 648,440
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Deferred revenue	\$ -	\$ 84,354	\$ 84,354
Total liabilities	-	84,354	84,354
 FUND BALANCES			
Reserved for:			
Debt service	-	564,086	564,086
Total fund balances	-	564,086	564,086
Total liabilities and fund balances	\$ -	\$ 648,440	\$ 648,440

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2008

	Special Source Revenue Bond	General Obligation bond	Total
REVENUES			
Property taxes	\$ -	\$ 975,656	\$ 975,656
Fee in lieu of taxes	357,913	-	357,913
Interest	-	21,032	21,032
Total revenues	<u>357,913</u>	<u>996,688</u>	<u>1,354,601</u>
EXPENDITURES			
Debt service			
Principal retirement	271,000	844,601	1,115,601
Interest and fiscal charges	<u>86,913</u>	<u>155,090</u>	<u>242,003</u>
Total expenditures	<u>357,913</u>	<u>999,691</u>	<u>1,357,604</u>
Net change in fund balances	-	(3,003)	(3,003)
Fund balances, beginning of the year	-	<u>567,089</u>	<u>567,089</u>
Fund balances, end of the year	<u>\$ -</u>	<u>\$ 564,086</u>	<u>\$ 564,086</u>

LAURENS COUNTY, SOUTH CAROLINA
FINES AND ASSESSMENTS
For the year ended June 30, 2008

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines and Fees Collected	\$ 642,288	\$ 704,099	\$ -
Assessments Collected	34,495	144,333	-
Surcharges Collected	19,686	41,930	-
Assessments collected for Victims Services	11,140	64,753	-
Surcharges collected for Victims Services	<u>31,444</u>	<u>30,444</u>	<u>-</u>
 Total fines, assessments, and surcharges collected	 <u>\$ 739,053</u>	 <u>\$ 985,559</u>	 <u>\$ -</u>
 Fines and Fees retained by County Treasurer	 264,204	 683,459	 -
Assessments retained by County Treasurer	11,738	15,261	-
Surcharges retained by County Treasurer	-	-	-
Assessments retained by County Treasurer for Victims' Services	11,140	64,753	-
Surcharges retained by County Treasurer for Victims' Services	<u>31,444</u>	<u>30,444</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for County Treasurer	 <u>\$ 318,526</u>	 <u>\$ 793,917</u>	 <u>\$ -</u>
 Fines collected for State Treasurer	 378,084	 20,640	 -
Assessments collected for State Treasurer	22,757	129,072	-
Surcharges collected for State Treasurer	<u>19,686</u>	<u>41,930</u>	<u>-</u>
 Total fines, assessments, and surcharges collected for State Treasurer	 <u>\$ 420,527</u>	 <u>\$ 191,642</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, 2008 which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 23, 2009. 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 deficiencies described in the accompanying schedule of findings and questioned costs as item 2008-1 through 2008-4 to be significant deficiencies 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 deficiencies described above as items 2008-3 and 2008-4 to be material weaknesses, 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 23, 2009.

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 23, 2009

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, 2008. 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, 2008.

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 23, 2009

ELLIOTT DAVIS LLC

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal grantor/pass-through grantor/program title</u>	<u>Federal CFDA number</u>	<u>Program or award amount</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through South Carolina Department of Social Services State Administration Matching Grant Food Stamp Program	10.561		\$ <u>10,544</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through State Department of Commerce Community Development Block Grant	14.228	\$ 325,000	\$ 252,012
Economic Development Initiative	14.251	\$ 59,400	<u>59,400</u>
			<u>\$ 311,412</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through South Carolina Department of Transportation Highway Planning and Construction	20.205	\$ 3,350,160	\$ 170,310
Airport Improvement Program	20.106		54,772
Airport Improvement Program	20.106		<u>58,174</u>
			<u>\$ 283,256</u>
<u>U S DEPARTMENT OF JUSTICE</u>			
Passed through the Office of the Justice Program Domestic Violence Grant	16.579		\$ <u>37,083</u>
<u>U. S. HOMELAND SECURITY ADMINISTRATION</u>			
Passed through S C Law Enforcement Division: Local Emergency Management Performance	97.042	19,630	\$ <u>16,650</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed through the Office of the Adjutant General:			<u>\$ 19,312</u>
Total federal assistance expended (modified accrual basis of accounting)			<u>\$ 678,257</u>

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Laurens County, South Carolina.
2. Four significant deficiencies (2008-1 through 2008-4) relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. Two of the significant deficiencies (2008-3 and 2008-4) 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 were disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133.
8. The following program was considered to be a major program:

US Department of Housing and Urban Development Community Development	CFDA	14.228
-------------------------------------------------------------------------	------	--------
9. The threshold used for distinguishing between type A and B programs was \$300,000.
10. Laurens County, South Carolina qualifies as a low risk auditee.

B. FINDING - FINANCIAL STATEMENTS AUDIT

Item 2008-1: "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 report on assurance 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, 2008*

B. FINDING - FINANCIAL STATEMENTS AUDIT, Continued

Item 2008-1: "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 recorded in the general ledger accounts of the County, included in the restricted cash balances 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 2008-2: 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 member who has been assigned to focus on the issues found and has implemented a review and approval process prior to posting of general journal adjusting entries.

Item 2008-3: 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.

(Continued)

*LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008*

B. FINDING - FINANCIAL STATEMENTS AUDIT, Continued

Item 2008-3: Financial Reporting Process

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 member who has been assigned to 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 one of the highest priorities for the finance department and treasurer's office.

Item 2008-4: Dual General Ledger Reconciliation and Cash Account Reconciliation(s)

Condition

The general ledger (CSI) was not reconciled in a timely manner with Smith Data System ledgers and cash accounts held by the Treasurer during the year. The cash in office account was out of balance by \$2.6 million, the Treasurer general account was out of balance by \$938 thousand, the accounts payable account was out of balance by \$736 thousand and other accounts were out of balance by various smaller amounts.

Criteria

The County's general ledger and cash accounts should be reconciled in both accounting systems on a monthly basis within reasonable period after a month close.

Effect

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

Recommendation

We recommend management develop detailed procedures and implement processes to reconcile the general ledger within CSI to the Smith Data Systems and reconciled cash balances on an accrual basis.

Management Response

The County has employed an additional staff member who 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 one of the highest priorities for the finance department and treasurer's office.

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

None reported

LAURENS COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008

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

None reported