

**LAURENS COUNTY,
SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

LAURENS COUNTY, SOUTH CAROLINA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Laurens County Council
Laurens County
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, 2010 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 those 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 aggregate discretely presented component units would have been presented as \$136,875,905, \$102,200,923, \$34,674,982, \$88,292,706, and \$87,552,880, 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, 2010, 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, 2010, 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 February 11, 2011 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 Required Supplementary 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
February 11, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Laurens County annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2010. 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, 2010 by \$82.6 million (net assets). Of this amount \$6.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County repaid \$1.35 million of bond and capital lease payables during the year.
- During the year, the County's general fund balance was increased by \$5.0 million.
- The general fund actual revenues were \$952 thousand greater than budgeted and general fund expenditures were \$632 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 decreased \$2.0 million or 2.4% between fiscal years 2009 and 2010. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2009	2010	
Current and other assets	\$ 47,886	\$ 34,021	-29.0%
Capital assets	78,866	74,603	-5.4%
Total assets	<u>126,752</u>	<u>108,624</u>	-14.3%
Long-term debt outstanding	4,819	6,498	34.8%
Other liabilities	37,331	19,531	-47.7%
Total liabilities	<u>42,150</u>	<u>26,029</u>	-38.2%
Net assets			
Invested in capital assets, net of related debt	74,601	71,395	-4.3%
Restricted	3,213	4,576	42.4%
Unrestricted	6,788	6,624	-2.4%
Total net assets	<u><u>\$ 84,602</u></u>	<u><u>\$ 82,595</u></u>	-2.4%

Net unrestricted assets of our governmental activities decreased by \$164 thousand. Capital assets of \$778 thousand were acquired while depreciation expense on new and existing capital assets totaled \$5.0 million.

Changes in net assets. The County's total revenues decreased by 7.0 percent to \$35.3 million. (See Table A-2) Approximately 48 percent of the County's total revenue comes from property taxes, 21 percent comes from fees charged for services, fines and fees and 23 percent is from state and federal aid.

The total cost of all programs and services decreased approximately \$495 thousand or 1.3 percent. The County's expenses cover a range of services, with about 39 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 decreased 7.0 percent, while total expenses decreased 1.4 percent.

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

	Governmental Activities		Total Percentage Change
	2009	2010	
Revenues			
Program Revenues			
Charges for services	\$ 7,250	\$ 7,453	2.8%
Operating grants and contributions	1,488	1,475	-0.9%
Capital grants and contributions	4,234	554	-86.9%
General Revenues			
Property taxes	17,096	16,885	-1.2%
Other taxes	73	68	-6.8%
Intergovernmental	7,591	8,433	11.1%
Other	229	450	96.5%
Total revenues	37,961	35,318	-7.0%
Expenses			
General government	12,832	12,215	-4.8%
Public safety	13,299	14,405	8.3%
Public works	6,558	8,643	31.8%
Health and welfare	383	395	3.1%
Culture and recreation	823	802	-2.6%
Intergovernmental and private nonprofit	426	388	-8.9%
Economic development	3,266	317	-90.3%
Interest and fiscal charges	233	160	-31.3%
Total expenses	37,820	37,325	-1.3%
Increase in net assets	\$ 141	\$ (2,007)	-1523.4%

Total revenues were \$2.6 million less than the prior year. Property taxes collected were \$211 thousand less than the prior year. Charges for services and fines and fees were \$203 thousand more than the prior year, and intergovernmental revenues including grants were \$3.0 million less than the prior year. In addition, expenses were \$495 thousand less 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 \$15.6 million which exceeds the prior year by \$5.2 million. Included in this increase were issuance of a general obligation bond anticipation note in the amount of \$1.9 million and a capital lease in the amount of \$1.6 million.

General Fund Budgetary Highlights

Actual general fund expenditures were \$632 thousand less than budget amounts, primarily resulting from positive variances in salaries and fringe benefits in most departments and relatively consistent expenditure control across the board.

The resources available for appropriation were \$952 thousand greater than the budgeted amount. This is primarily related to the increase of property tax revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the County had invested \$74.6 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 \$561 thousand. However, after depreciation capital assets decreased \$4.3 million or 5.4 percent, over last year.

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

	Governmental Activities		Total Percentage Change
	2009	2010	
Land	\$ 832	\$ 870	4.6%
Construction in progress	3,044	3,348	10.0%
Buildings and improvements	18,680	18,680	0.0%
Furniture, fixtures and equipment	11,085	11,304	2.0%
Infrastructure	107,319	107,319	0.0%
Accumulated depreciation	(62,094)	(66,918)	7.8%
Total net assets	<u>\$ 78,866</u>	<u>\$ 74,603</u>	-5.4%

This year's major capital asset additions included:

- \$304 thousand in construction in progress for Old Laurens Road project and building renovations.
- \$437 thousand in vehicle and 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 \$4.5 million in bonds and capital lease obligations outstanding, an increase of 5.6 percent over last year as shown in Table A-4. More detailed information about the County's long-term debt is presented in Note 10 to the financial statements.

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

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

	Governmental Activities		Total Percentage Change
	2009	2010	
General obligation bonds	\$ 1,664	\$ 1,235	-25.8%
Revenue bonds	190	-	-100.0%
Special source bonds	1,508	1,248	-17.2%
Capital lease obligations	903	2,019	123.6%
Total	\$ 4,265	\$ 4,502	5.6%

This year's major outstanding debt changes included:

- \$1.6 million in new capital lease agreements just prior to year end. No acquisitions were made by yearend.
- \$1.35 million in bond, note and lease repayments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Unemployment at June 30, 2010 stood at 11.5 percent versus 12.4 percent a year ago. This compares unfavorably with both the state's rate of 10.7 and the national rate of 9.5 percent.

These indicators were taken into account when adopting the general fund budget for 2011. The general "operating" fund budget for 2011 is \$24,262,505.

Capital expenditures approved in the fiscal year 2011 capital budget were \$249,150. The County has added no major new programs or initiatives to the 2011 budget.

With the approval of the 2010 budget the County should continue to move in a positive direction. The 2011 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, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 22,559,165
Cash and cash equivalents, restricted	4,092,923
Investments	2,797,142
Receivables:	
Taxes - Net	993,312
Other	1,151,916
Due from other governments	2,426,369
Capital assets:	
Land	870,315
Construction in progress	3,347,868
Buildings and improvements	18,680,506
Vehicles and equipment	11,304,365
Infrastructure assets	107,318,573
Less accumulated depreciation	(66,918,554)
Total capital assets, net of depreciation	74,603,073
Total assets	108,623,900
LIABILITIES	
Accounts payable	1,106,592
Due to other governmental units	15,658,868
Accrued wages and benefits	794,429
Accrued interest payable	71,125
Net other post employment benefit obligation	1,417,785
Short-term general obligation bond anticipation note	1,900,000
Long-term liabilities:	
Due within one year	1,313,661
Due in more than one year	3,766,503
Total liabilities	26,028,963
NET ASSETS	
Invested in capital assets net of related debt	71,394,585
Restricted for:	
Debt service	763,774
Capital outlay	899,068
Contingency	2,913,987
Unrestricted	6,623,523
Total net assets	\$ 82,594,937

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

Exhibit 2

LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services, fines and fees	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
PRIMARY GOVERNMENT					
Governmental activities					Governmental Activities
General government	\$ 12,215,092	\$ 990,837	\$ 6,439	\$ -	\$ (11,217,816)
Public safety	14,404,779	3,795,020	-	-	(10,609,759)
Public works	8,642,836	2,666,924	1,468,884	502,566	(4,004,462)
Health and welfare	395,115	-	-	-	(395,115)
Culture and recreation	802,009	-	-	-	(802,009)
Intergovernmental and private nonprofit	388,483	-	-	-	(388,483)
Economic development	317,385	-	-	51,850	(265,535)
Interest and fiscal charges	159,927	-	-	-	(159,927)
Total governmental activities	<u>37,325,626</u>	<u>7,452,781</u>	<u>1,475,323</u>	<u>554,416</u>	<u>(27,843,106)</u>
GENERAL REVENUES					
Property taxes levied for:					
General purposes					
Special purpose					
Debt service					
Accommodations tax					
Intergovernmental					
Interest and investment income					
Miscellaneous					
Total general revenues					
Change in net assets					
Net assets beginning of year					
Net assets end of year					
					<u>\$ 82,594,937</u>

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

LAURENS COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General</u>	<u>Rural Fire</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 21,715,661	\$ -	\$ 843,504	\$ 22,559,165
Cash and cash equivalents, restricted	4,092,923	-	-	4,092,923
Investments	2,797,142	-	-	2,797,142
Property taxes receivable - Net	730,105	162,958	100,249	993,312
Accounts receivable	1,151,916	-	-	1,151,916
Due from other governments	2,422,583	-	3,786	2,426,369
Due from other funds	-	331,791	1,589,660	1,921,451
Total assets	<u>\$ 32,910,330</u>	<u>\$ 494,749</u>	<u>\$ 2,537,199</u>	<u>\$ 35,942,278</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,059,437	\$ 35,201	\$ 11,954	\$ 1,106,592
Deferred revenue	634,558	143,427	90,392	868,377
Accrued wages and benefits	794,429	-	-	794,429
Due to other funds	1,921,451	-	-	1,921,451
Due to other local governments	15,658,868	-	-	15,658,868
Total liabilities	<u>20,068,743</u>	<u>178,628</u>	<u>102,346</u>	<u>20,349,717</u>
FUND BALANCES				
Reserved for:				
Debt service	-	-	763,774	763,774
Capital outlay	4,092,923	-	-	4,092,923
Contingency	2,913,987	-	-	2,913,987
Unreserved:				
Designated	658,060	-	19,880	677,940
Undesignated reported in:				
General fund	5,176,617	-	-	5,176,617
Special revenue funds	-	316,121	1,651,199	1,967,320
Total fund balances	<u>12,841,587</u>	<u>316,121</u>	<u>2,434,853</u>	<u>15,592,561</u>
Total liabilities and fund balances	<u>\$ 32,910,330</u>	<u>\$ 494,749</u>	<u>\$ 2,537,199</u>	<u>\$ 35,942,278</u>

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

LAURENS COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total fund balances - Governmental funds \$ 15,592,561

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	870,315
Construction in progress	3,347,868
Buildings and improvements	18,680,506
Vehicles and equipment	11,304,365
Infrastructure	107,318,573
Accumulated depreciation	<u>(66,918,554)</u>
Total capital assets	<u>74,603,073</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	868,377
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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 short term debt (Bond Anticipation Note)	(1,900,000)
General obligation debt	(1,235,129)
Special source revenue bond	(1,248,000)
Capital leases payable	(2,019,214)
Compensated absences	(577,821)
Other post employment benefits	(1,417,785)
Accrued interest payable	<u>(71,125)</u>
Total long-term liabilities	<u>(8,469,074)</u>

Net assets of governmental activities **\$ 82,594,937**

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, 2010

	General	Rural Fire	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 13,313,381	\$ 2,127,093	\$ 1,481,501	\$ 16,921,975
Licenses and permits	360,795	-	-	360,795
Intergovernmental revenue	10,160,089	-	370,523	10,530,612
Charges for services	7,091,986	-	-	7,091,986
Interest and investment income	78,813	-	11,887	90,700
Miscellaneous revenue	314,946	-	71,649	386,595
Total revenues	<u>31,320,010</u>	<u>2,127,093</u>	<u>1,935,560</u>	<u>35,382,663</u>
EXPENDITURES				
General government	11,382,208	-	-	11,382,208
Public safety	11,803,750	1,314,529	1,076,758	14,195,037
Public works	4,884,983	-	-	4,884,983
Health and welfare	244,678	-	-	244,678
Culture and recreation	751,863	-	-	751,863
Intergovernmental	388,483	-	-	388,483
Economic development	108,213	-	209,172	317,385
Debt service:				
Principal retirement	249,558	220,256	879,310	1,349,124
Interest and fiscal charges	10,748	26,161	142,557	179,466
Total expenditures	<u>29,824,484</u>	<u>1,560,946</u>	<u>2,307,797</u>	<u>33,693,227</u>
Excess of revenues over (under) expenditures	<u>1,495,526</u>	<u>566,147</u>	<u>(372,237)</u>	<u>1,689,436</u>
Other financing sources (uses):				
Issuance of general obligation bond anticipation note	1,900,000	-	-	1,900,000
Issuance of capital lease	1,586,000	-	-	1,586,000
Transfers in	-	-	616,243	616,243
Transfers out	-	(616,243)	-	(616,243)
Total other financing sources (uses)	<u>3,486,000</u>	<u>(616,243)</u>	<u>616,243</u>	<u>3,486,000</u>
Net change in fund balances	4,981,526	(50,096)	244,006	5,175,436
Fund balances, beginning of year	<u>7,860,061</u>	<u>366,217</u>	<u>2,190,847</u>	<u>10,417,125</u>
Fund balances, end of year	<u>\$ 12,841,587</u>	<u>\$ 316,121</u>	<u>\$ 2,434,853</u>	<u>\$ 15,592,561</u>

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

LAURENS COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2010

Net change in fund balances - Total government funds	\$ 5,175,436
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	778,744
Depreciation expense	<u>(5,014,571)</u>
Excess of depreciation expense over capital outlay	<u>(4,235,827)</u>
Loss on disposal of capital assets is not recognized in governmental funds.	(27,126)
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>(37,274)</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	(1,586,000)
Bond anticipation note proceeds	<u>(1,900,000)</u>
	<u>(3,486,000)</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Bond principal retirement	429,228
Special source principal retirement	260,000
Revenue notes payable	190,082
Capital lease payments	<u>469,815</u>
Total long-term debt repayment	<u>1,349,125</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	
Other post employment benefits	(740,513)
Compensated absences	<u>(24,722)</u>
	<u>(765,235)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	<u>19,538</u>
Change in net assets of government activities	<u>\$ (2,007,363)</u>

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

**LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010**

ASSETS		
Due from other funds		\$ 15,658,868
Property taxes receivable		<u>2,417,969</u>
Total assets		<u>\$ 18,076,837</u>
 LIABILITIES		
Due to other taxing districts and agencies		<u>18,076,837</u>
Total liabilities		<u>\$ 18,076,837</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

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.

(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 employment, 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.

Subsequent Events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through February 11, 2011, the date the financial statements were available for issuance.

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 Administrator 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, 2010, the carrying amount of the County deposits was \$8,264,190 and the bank balance was \$8,429,060. 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, 2010 was \$255,447

Investments

As of June 30, 2010, the County had the following investments:

Investment Type	Fair Value	Investment maturities (in years)			No maturity
		Less than 1	1-5	6-10	
U S Government Agency Obligations	\$ 1,148,074	\$ -	\$ 502,500	\$ 645,574	\$ -
Certificates of deposit	750,000	750,000			
Government security mutual fund	899,068	-	-	-	899,068
Total investments	2,797,142	750,000	502,500	645,574	899,068
South Carolina local government investment pool	18,132,452	-	-	-	18,132,452
	<u>\$ 20,929,594</u>	<u>\$ 750,000</u>	<u>\$ 502,500</u>	<u>\$ 645,574</u>	<u>\$ 19,031,520</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, 2010, 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	\$ 8,264,190
Fair value of investments	20,929,594
Cash on hand	<u>255,446</u>
	<u>\$ 29,449,230</u>
Cash and cash equivalents – Exhibit 3	\$ 22,559,165
Cash and cash equivalents, restricted – Exhibit 3	4,092,923
Investments – Exhibit 3	<u>2,797,142</u>
	<u>\$ 29,449,230</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, 2010, was \$5,320 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2010.

Property tax receivables and allowances by major, other governmental and agency funds as of June 30, 2010 were as follows:

	<u>General</u>	<u>Rural fire</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>	<u>Agency</u>
Property taxes receivable	\$ 745,004	\$ 166,284	\$ 102,298	\$ 1,013,586	\$ 2,467,308
Less: Allowance	<u>14,899</u>	<u>3,326</u>	<u>2,049</u>	<u>20,274</u>	<u>49,339</u>
Net taxes receivable	<u>\$ 730,105</u>	<u>\$ 162,958</u>	<u>\$ 100,249</u>	<u>\$ 993,312</u>	<u>\$ 2,417,969</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, 2010 was as follows:

	<u>Balance June 30, 2008</u>	<u>Increases</u>	<u>Decreases / Transfers</u>	<u>Balance June 30, 2009</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 832,504	\$ 37,811	\$ -	\$ 870,315
Construction in progress	3,043,918	303,950	-	3,347,868
Total capital assets at historical cost not being depreciated	<u>3,876,422</u>	<u>341,761</u>	<u>-</u>	<u>4,218,183</u>
Capital assets being depreciated				
Buildings	18,680,506	-	-	18,680,506
Vehicles and equipment	11,085,166	436,983	(217,784)	11,304,365
Infrastructure	107,318,573	-	-	107,318,573
Total capital assets at historical cost being depreciated	<u>137,084,245</u>	<u>436,983</u>	<u>(217,784)</u>	<u>137,303,444</u>
Less accumulated depreciation for:				
Buildings	(5,553,129)	(372,838)	-	(5,925,967)
Vehicles and equipment	(6,401,216)	(1,145,173)	190,658	(7,355,731)
Infrastructure	(50,140,296)	(3,496,560)	-	(53,636,856)
Total accumulated depreciation	<u>(62,094,641)</u>	<u>(5,014,571)</u>	<u>190,658</u>	<u>(66,918,554)</u>
Total capital assets being depreciated, net	<u>74,989,604</u>	<u>(4,577,588)</u>	<u>(27,126)</u>	<u>70,384,890</u>
Governmental activities capital assets, net	<u>\$ 78,866,026</u>	<u>\$ (4,235,827)</u>	<u>\$ (27,126)</u>	<u>\$ 74,603,073</u>

Depreciation expense was charged to the following function:

General Government	\$ 100,291
Public Safety	651,894
Public Works	4,061,803
Health and Welfare	150,437
Culture and Recreation	<u>50,146</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,014,571</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.

During the fiscal year ended June 30, 2010, 2009 and 2008, salaries of \$11,198,407, \$10,892,737 and \$9,561,534 were paid by the County, respectively. Of that amount, \$4,330,227, \$4,274,128 and \$3,615,767, respectively, were covered under the PORS and \$6,868,180, \$6,618,609 and \$5,934,315, respectively, were covered under the SCRS.

(Continued)

NOTE 6 - RETIREMENT PLANS, Continued

South Carolina Retirement System (SCRS) Plan members are required to contribute 6.50% of their annual covered salary for the years ended June 30, 2010, June 30, 2009 and June 30, 2008. During the fiscal years ended June 30, 2010, 2009 and 2008, the County contributed at an actuarially determined rate of 9.24%, 9.24% and 9.06% 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 10.65% 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>
<u>SCRS</u>					
June 30, 2010	\$ 444,847	6.50%	\$ 634,620	9.24%	\$ 1,079,467
June 30, 2009	422,945	6.50%	621,487	8.05%	1,044,432
June 30, 2008	374,827	6.50%	546,550	8.05%	921,377
<u>PORS</u>					
June 30, 2010	\$ 281,465	6.50%	\$ 461,169	10.65%	\$ 742,634
June 30, 2009	277,819	6.50%	455,165	10.50%	732,984
June 30, 2008	235,025	6.50%	379,656	10.50%	614,681

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.

The plan administrator for both the 457 and 401k plans is the South Carolina Deferred Compensation Program, c/o ING, Post Office Box 5182, Boston, MA 02206-5182 (under state contract).

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan description, contribution information and funding policies

In addition to providing pension benefits, the County provides certain post-employment health care benefits for eligible retired employees and their dependents. The coverage is optional and not all retirees participate. Employees retiring with 28 or more years of service, regardless of age, or employees retiring with 20 years or more of service and who are at least 60 years of age, may elect to remain in the county health insurance group. Also, employees retiring with 15 years or more of service and who are at least 62 years of age may elect to remain in the county health insurance group. For retirees meeting one of the three above listed requirements, premiums for the standard health plan, for the retiree only, are paid by the County. Coverage premiums for spouse or family coverage must be paid by the retiree, as set forth by the State Health Plan in such amounts as may be in effect. Upon Medicare eligibility, each retiree must convert to Medicare as their primary coverage, with supplemental coverage paid by the County for the retiree. Any spouse of a retiree may remain in the County plan until Medicare eligibility, provided all premiums are paid by the retiree. Spouses may be included in the supplement plan, with premiums paid by the retiree. Cash in lieu of coverage shall not be option. Any deputized officer determined totally disabled as a result of the performance of his duties, shall qualify for these same benefits with 15 years of service regardless of age.

Annual OPEB costs and Net OPEB Obligation

The County first had an actuarial valuation performed for the plan as of June 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2010. The County's annual OPEB cost of \$807,768 is equal to the ARC for the initial reporting year since the transition liability was set at zero as of June 30, 2008. The County's annual OPEB costs and the net OPEB obligation for June 30, 2010 was as follows (information for prior years is not available as the actuarial valuation was performed for the first time as of June 30, 2008):

	<u>Governmental General</u>
Employer normal costs	\$ 455,269
Amortization of UAL*	<u>352,499</u>
Annual required contribution (ARC)	\$ 807,768
Interest on net obligation	<u>30,477</u>
Annual OPEB costs	\$ 838,245
Contributions made	<u>97,732</u>
Increase in net OPEB liability	\$ 740,513
Net OPEB obligation - beginning of year	<u>677,272</u>
Net OPEB obligation - end of year	<u>\$ 1,417,785</u>

* Unfunded Actuarial Accrued Liabilities (UAAL) were amortized over 30 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 807,768	16.16%	\$ 677,272
2010	\$ 838,245	16.16%	\$ 1,417,785

(Continued)

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2010, was as follows:

	Governmental General
Actuarial accrued liability	\$ 8,454,834
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 8,454,834
Funded Ratio	0.00%
Covered payroll	\$ 11,198,407
Unfunded actuarial accrued liability as a percentage of covered payroll	75.50%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

In the June 30, 2008, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent-of-payroll required to fully amortize the UAAL over a 30 year period on a closed basis. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 7.5% health care trend inflation rate for 2010 and decreases 0.5% each year until 2014, and thereafter 5.0% was assumed. Dental cost trend inflation is assumed to be 8.9% for 2010, decreasing annually by 0.8% until 2014, thereafter assumed to be 5.0% per year.

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, 2010:

Machinery and equipment	\$ 1,418,519
Less: Accumulated Depreciation	694,913
	<u>\$ 723,606</u>

On May 27, 2010, the County entered into a capital lease agreement in the amount of \$1,586,000 with a bank, providing funding to acquire equipment. At June 30, 2010, no equipment had been purchased. The capital lease agreement consists of three distinct leases in the amounts of \$392,000, \$214,000 and \$980,000, with repayment terms of 24 months, 36 months and 72 months, respectively, interest rates of 2.63%, 2.69% and 3.19%, respectively, and monthly payments, including interest, of \$16,864, \$6,224 and \$15,060, respectively. Unspent funds are held in a special account by the bank, in the name of the County, until such time as equipment is purchased.

(Continued)

NOTE 9 - LEASES, Continued

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, 2010:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>
2011	\$ 727,248
2012	566,729
2013	289,135
2014	193,164
2015	180,714
2016 - 2020	<u>210,835</u>
Total minimum lease payments	2,167,825
Less: Amount representing interest	<u>148,611</u>
Present value of future minimum lease payments	<u><u>\$ 2,019,214</u></u>

NOTE 10 - LONG-TERM DEBT

General obligation and special source bonds and revenue notes payable

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, 2010 taxable assessed property valuation net of exemptions of \$149,127,296 (unaudited), the legal debt limit is \$11,930,184, leaving a legal debt margin as of June 30, 2010 of \$8,795,055.

General obligation bonds are payable from the debt service funds. Bonds and notes payable at June 30, 2010 are comprised of the following individual issues:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Amounts due within one year</u>
General obligation bonds					
\$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%.	\$ 1,325,000	\$ -	\$ 300,000	\$ 1,025,000	\$ 325,000
\$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%	244,380	-	118,952	125,428	125,428
\$117,431, 2007 General Obligation Bonds, due in annual installments of \$14,159 through April 1, 2017, interest at 4.09%	<u>94,977</u>	<u>-</u>	<u>10,276</u>	<u>84,701</u>	<u>10,695</u>
Total general obligation bonds	<u>1,664,357</u>	<u>-</u>	<u>429,228</u>	<u>1,235,129</u>	<u>461,123</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>1,508,000</u>	<u>-</u>	<u>260,000</u>	<u>1,248,000</u>	<u>254,000</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>190,082</u>	<u>-</u>	<u>190,082</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 3,362,439</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 879,310</u></u>	<u><u>\$ 2,483,129</u></u>	<u><u>\$ 715,123</u></u>

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

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.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 461,123	\$ 48,696	\$ 509,819
2012	336,132	29,277	365,409
2013	386,587	16,634	403,221
2014	12,061	2,098	14,159
2015	12,555	1,604	14,159
2016-2020	26,671	1,647	28,318
	<u>\$ 1,235,129</u>	<u>\$ 99,956</u>	<u>\$ 1,335,085</u>

Available in the debt service fund is \$763,774 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2010 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 254,000	\$ 53,040	\$ 307,040
2012	248,000	42,245	290,245
2013	241,000	31,705	272,705
2014	249,000	21,462	270,462
2015	256,000	10,880	266,880
	<u>\$ 1,248,000</u>	<u>\$ 159,332</u>	<u>\$ 1,407,332</u>

The County issued a Bond Anticipation Note (BAN) of \$1,900,000, to a bank on January 28, 2010, maturing on July 28, 2010, bearing interest at 1.58%. The BAN was repaid on July 28, 2010, from proceeds of the bond issuance.

<u>Governmental activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Bond anticipation note	\$ -	\$ 1,900,000	\$ -	\$ 1,900,000

(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, 2009	\$ 553,099	\$ 903,029	\$ 1,508,000	\$ 1,664,357	\$ 190,082	\$ 4,818,567
Amounts incurred	392,504	1,586,000	-	-	-	1,978,504
Amounts retired	(367,782)	(469,815)	(260,000)	(429,228)	(190,082)	(1,716,907)
Payable at June 30, 2010	<u>\$ 577,821</u>	<u>\$ 2,019,214</u>	<u>\$ 1,248,000</u>	<u>\$ 1,235,129</u>	<u>\$ -</u>	<u>\$ 5,080,164</u>
Amounts due within one year	<u>\$ 270,000</u>	<u>\$ 328,538</u>	<u>\$ 254,000</u>	<u>\$ 461,123</u>	<u>\$ -</u>	<u>\$ 1,313,661</u>

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

The balances of interfund receivables and payables at June 30, 2010, were as follows:

Receivable Fund	Payable Fund	Amount
Rural Fire	General Fund	\$ 331,791
Nonmajor Governmental - Fire Coordinator	General Fund	775,455
Nonmajor Governmental - Fire Department Debt Service	General Fund	56,147
Nonmajor Governmental - General Obligation Debt Service	General Fund	758,058
		<u>\$ 1,921,451</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, 2010 consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
Nonmajor Governmental Funds	Rural Fire	<u>\$ 616,243</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

Reservations 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.

County ordinance requires that funds generated from the deficit reduction millage in excess of amounts required to offset current year deficits, if any, must be reserved to prevent future deficits in the general fund. This reserve in fund balance is identified below as contingency.

Amounts included in fund balance are as follows:

Reserved:

Debt service	\$	763,774
C funds for road maintenance		899,068
Capital activity		3,193,855
Contingency		<u>2,913,987</u>
	\$	<u>7,770,684</u>

Unreserved – Designated

Sheriff	\$	124,986
Public works		140,000
Airport grants		153,284
Detention Center		76,324
Building codes		2,917
Contingency		25,000
Roads and bridges		57,000
Probate Judge		78,148
PRT		401
Fire coordinator		<u>19,880</u>
	\$	<u>677,940</u>

NOTE 13 - NET ASSETS

Net assets represent the difference between assets and liabilities. The restricted net asset amounts at June 30, 2010 were as follow:

	<u>Governmental Activities</u>
Invested in capital assets, net of related debt	
Net capital assets	\$ 74,603,073
Less:	
General obligation short-term debt	(1,900,000)
General obligation debt	(1,235,129)
Special source revenue bond	(1,248,000)
Capital leases payable	(2,019,214)
Add:	
Unspent bond proceeds	1,607,855
Unspent capital lease proceeds	1,586,000
	<u>71,394,585</u>
Restricted for capital activity, debt service and contingencies	7,770,684
Less: Unspent bond proceeds	(1,607,855)
Unspent capital lease proceeds	(1,586,000)
	<u>4,576,829</u>
Unrestricted	<u>\$ 6,623,523</u>
Total net assets	<u>\$ 82,594,937</u>

NOTE 14 - 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 15 - 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, 2010 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.

(Continued)

NOTE 15 - CONTINGENT LIABILITIES, Continued

As of June 30, 2010, the Health Care System's obligations on the two bonds the County guarantees totaled \$6,130,000. The County provides a subsidy of \$196,189 per year to the Health Care System which is funded by a tax levy. The Health Care System places funds for its next year's debt payments related to these two bond issues with the County Treasurer. The County Treasurer holds these funds along with the County's tax levy in its Health Care Bond Debt Service Fund. The County Treasurer makes the debt service payments as due from these funds.

As of June 30, 2010, the Water and Sewer Commission's obligations on the one bond the County guarantees totaled \$3,340,000. The County provides a subsidy of \$412,400 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. Per management, the Water and Sewer Commission is current on all its obligations and its operating profitability.

NOTE 16 - 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, 2010, \$27,200 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 substantially all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 18 - SUBSEQUENT EVENTS

On July 27, 2010, the County issued general obligation bonds in the amount of \$6,400,000, with maturities ranging from March, 2011 to March, 2025, and interest rates ranging from 2.00% to 3.50%.

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Property taxes and current penalties	\$ 11,883,006	\$ 13,146,815	\$ 1,263,809
Total Taxes	<u>11,883,006</u>	<u>13,146,815</u>	<u>1,263,809</u>
LICENSES AND PERMITS			
Utility franchise fee	150,000	173,186	23,186
Building permits	195,000	129,989	(65,011)
Mobile home licenses	80,500	56,535	(23,965)
Septic Tank Fee	1,100	1,085	(15)
Total Licenses and Permits	<u>426,600</u>	<u>360,795</u>	<u>(65,805)</u>
INTERGOVERNMENTAL REVENUE			
BJA Grant	10,295	-	(10,295)
National Forest fund	68,072	55,721	(12,351)
Accommodations tax	86,554	67,748	(18,806)
Child support	172,760	172,273	(487)
Department of Social Services	46,000	60,262	14,262
Environmental Control Penalty	16,500	1,422	(15,078)
Local government fund	3,382,117	3,191,538	(190,579)
Merchants inventory exempt	40,000	49,176	9,176
Motor Carrier	14,846	-	(14,846)
Registration Board	48,587	99,227	50,640
State salary supplement	47,000	46,572	(428)
Veterans Service Office	7,300	34,232	26,932
Dept. of Health and Environmental Control	18,000	18,647	647
Recorder of deeds	34,000	18,982	(15,018)
LEMPG grant	17,700	33,683	15,983
State EMA Funding	17,500	-	(17,500)
1% Received from Greenville	12,246	32,502	20,256
Laurens and Clinton PD for Comm	50,000	61,741	11,741
Laurens/Clinton PD - Vict. Ass't	33,000	32,162	(838)
Laurens/Clinton/Cross Hill Mag	27,000	23,794	(3,206)
Cooperative Capital Credit Distribution	3,250	3,347	97
Municipal Inmate housing	22,000	-	(22,000)
State drug revenue	65,000	100	(64,900)
EMS Grant	20,704	16,223	(4,481)
Tire Fee Rebate	32,851	29,439	(3,412)
Total Intergovernmental Revenue	<u>4,293,282</u>	<u>4,048,791</u>	<u>(244,491)</u>
CHARGES FOR SERVICES			
Collection of city taxes	21,205	25,201	3,996
Judge of Probate fees	108,356	114,153	5,797
School District 55 SRO Match	130,000	99,723	(30,277)
Treasurer's costs	33,000	111,290	78,290
Treasurer's other income	2,000	3,128	1,128
Vehicle road fee	865,658	871,598	5,940
Decal Fees	42,000	31,712	(10,288)
Copier fees	4,050	4,368	318
E-911 ID badge fees	50	-	(50)
Temporary tags-auditor	2,100	2,460	360
Cross Hill support/sheriff	17,723	39,068	21,345
E-911 cell phone fees	150,000	115,316	(34,684)
E-911 telephone fees	240,700	267,937	27,237

Continued

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Administration	\$ 423,053	\$ 415,687	\$ 7,366
County Council	124,197	104,053	20,144
Judge of Probate	214,525	214,717	(192)
Registration	192,951	207,068	(14,117)
Capital Expenditures	332,014	311,224	20,790
Debt Service - Capital Leases	260,306	260,306	-
Human Resources	83,838	78,593	5,245
Finance Department	204,356	187,275	17,081
Risk Management	37,141	36,666	475
Purchasing/Vehicle Maintenance	63,640	85,106	(21,466)
Non-Departmental	3,965,390	3,942,868	22,522
Auditor	377,356	328,035	49,321
Treasurer	303,867	300,939	2,928
Miscellaneous	103,500	94,908	8,592
Tax Assessor	370,338	330,740	39,598
Clerk of Court	614,216	597,633	16,583
Buildings and Grounds Maintenance	665,253	674,708	(9,455)
Airport	77,193	73,696	3,497
Contingency	250,000	194,258	55,742
Magistrates	421,832	367,110	54,722
	<u>9,084,966</u>	<u>8,805,590</u>	<u>279,376</u>
PUBLIC SAFETY			
Coroner	151,387	139,698	11,689
E-911	475,393	472,558	2,835
Emergency Preparedness	52,914	62,911	(9,997)
Emergency Operations	831,582	796,285	35,297
Emergency Medical Services	3,168,338	3,027,971	140,367
Victims' Assistance	170,588	152,655	17,933
Sheriff	3,263,993	3,255,215	8,778
Detention Center	2,082,155	2,194,145	(111,990)
Road/Bridges	772,221	738,663	33,558
Inspection/Permits	342,002	317,063	24,939
	<u>11,310,573</u>	<u>11,157,164</u>	<u>153,409</u>
PUBLIC WORKS			
Public Works	134,748	134,890	(142)
Solid Waste Management	1,980,772	1,787,592	193,180
	<u>2,115,520</u>	<u>1,922,482</u>	<u>193,038</u>
HEALTH AND WELFARE			
Veterans Affairs	113,012	121,422	(8,410)
Health Department	14,250	13,884	366
Social Services	16,000	18,598	(2,598)
	<u>143,262</u>	<u>153,904</u>	<u>(10,642)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
CULTURE AND RECREATION			
Parks and Recreation	141,736	129,131	12,605
Library	626,266	622,732	3,534
	<u>768,002</u>	<u>751,863</u>	<u>16,139</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT			
Local Government Assistance	318,001	317,958	43
Special Appropriations	26,800	26,800	-
Clemson Extension	44,800	43,725	1,075
	<u>389,601</u>	<u>388,483</u>	<u>1,118</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 23,811,924</u>	<u>23,179,486</u>	<u>\$ 632,438</u>
NON-BUDGETED EXPENDITURES			
Local Option Sales Tax distributed		2,409,834	
State for road maintenance		1,312,260	
Reedy River project expenditures		834,583	
Public works grant expenditures		355,683	
Old Laurens Road Improv Project		303,950	
Detention Center renovation & improvement		295,645	
T-hangar & Taxi Lane Project		257,678	
Technical education		169,412	
Justice Grant		160,121	
Clinton frontage road project		156,025	
Sheriff Department - hospital services		127,072	
Sheriff Department - Gray Court services		63,748	
Indigent Care		90,774	
Economic Development		87,863	
American Titanium Works project		20,350	
Total non-budgeted expenditures		<u>6,644,998</u>	
TOTAL EXPENDITURES		<u>\$ 29,824,484</u>	

LAURENS COUNTY, SOUTH CAROLINA
RURAL FIRE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,153,250	\$ 2,127,093	\$ (26,157)
Total revenues	<u>2,153,250</u>	<u>2,127,093</u>	<u>(26,157)</u>
EXPENDITURES			
Salaries and wages	383,081	326,901	56,180
Overtime	14,000	14,372	(372)
Fringe benefits	155,744	196,804	(41,060)
Fire department education credit	-	11,812	(11,812)
Equipment repairs	19,500	14,257	5,243
Maintenance contract	1,500	775	725
Vehicle repairs	1,000	4,884	(3,884)
Telephone	6,000	5,832	168
Dues and subscriptions	350	35	315
Training	1,000	1,000	-
Travel and meetings	250	-	250
Building repairs	5,000	3,270	1,730
First responder supplies	250	-	250
Cleaning supplies	1,000	601	399
Office supplies	500	716	(216)
Postage	100	-	100
Uniforms	6,000	5,680	320
Vehicle supplies and maintenance	60,000	53,648	6,352
Fuel	106,000	67,398	38,602
Utilities	16,000	19,743	(3,743)
Books and publications	200	-	200
Office furniture	1,000	-	1,000
Insurance	140,000	68,154	71,846
Capital outlay	14,000	15,088	(1,088)
Debt service:			
Principal retirement	220,839	220,256	583
Interest	26,161	26,161	-
Fire contracts	468,156	470,054	(1,898)
Tax rebate to volunteers	15,000	8,510	6,490
Contingency	<u>34,373</u>	<u>24,995</u>	<u>9,378</u>
Total expenditures	<u>1,697,004</u>	<u>1,560,946</u>	<u>136,058</u>
Excess of revenues over expenditures	<u>456,246</u>	<u>566,147</u>	<u>109,901</u>
OTHER FINANCING USES			
Transfers out	<u>(616,246)</u>	<u>(616,243)</u>	<u>3</u>
Total other financing uses	<u>(616,246)</u>	<u>(616,243)</u>	<u>3</u>
Net change in fund balance	(160,000)	(50,096)	109,904
FUND BALANCES, BEGINNING OF YEAR	<u>366,217</u>	<u>366,217</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 206,217</u>	<u>\$ 316,121</u>	<u>\$ 109,904</u>

**LAURENS COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS PLAN**

Exhibit A-4

The County's annual Other Post Employment Benefits Plan (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years are as follow:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 807,768	16.16%	\$ 677,272
2010	\$ 838,245	11.66%	\$ 1,417,785

The funded status and funding progress of the plan was as follows:

Actuarial valuation date	Fiscal year ended	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll
6/30/2008	6/30/2009	-	\$ 8,454,834	\$ 8,454,834	0.00%	\$ 10,892,737	77.62%
	6/30/2010	-	\$ 8,454,834	\$ 8,454,834	0.00%	\$ 11,198,407	75.50%

LAURENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 843,504	\$ -	\$ 843,504
Property taxes receivable - net	36,958	63,291	100,249
Due from other funds	831,602	758,058	1,589,660
Due from other governments	3,786	-	3,786
Total assets	<u><u>\$ 1,715,850</u></u>	<u><u>\$ 821,349</u></u>	<u><u>\$ 2,537,199</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 11,954	\$ -	\$ 11,954
Deferred revenue	32,817	57,575	90,392
Total liabilities	<u>44,771</u>	<u>57,575</u>	<u>102,346</u>
FUND BALANCES			
Reserved for:			
Debt service	-	763,774	763,774
Unreserved:			
Designated	19,880	-	19,880
Undesignated	1,651,199	-	1,651,199
Total fund balances	<u>1,671,079</u>	<u>763,774</u>	<u>2,434,853</u>
Total liabilities and fund balances	<u><u>\$ 1,715,850</u></u>	<u><u>\$ 821,349</u></u>	<u><u>\$ 2,537,199</u></u>

LAURENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ 436,982	\$ 704,025	\$ 1,141,007
Intergovernmental	370,523	-	370,523
Fee in lieu of taxes	-	340,494	340,494
Interest	272	11,615	11,887
Miscellaneous	71,649	-	71,649
Total revenues	<u>879,426</u>	<u>1,056,134</u>	<u>1,935,560</u>
EXPENDITURES			
Public safety	1,076,758	-	1,076,758
Economic development	209,172	-	209,172
Debt service:			
Principal retirement	190,082	689,228	879,310
Interest and fiscal charges	10,835	131,722	142,557
Total expenditures	<u>1,486,847</u>	<u>820,950</u>	<u>2,307,797</u>
Excess of revenues over expenditures	<u>(607,421)</u>	<u>235,184</u>	<u>(372,237)</u>
Other financing sources (uses):			
Transfers in	616,243	-	616,243
Total other financing sources (uses)	<u>616,243</u>	<u>-</u>	<u>616,243</u>
Net change in fund balances	<u>8,822</u>	<u>235,184</u>	<u>244,006</u>
Fund balances, beginning of the year	<u>1,662,257</u>	<u>528,590</u>	<u>2,190,847</u>
Fund balances, end of the year	<u>\$ 1,671,079</u>	<u>\$ 763,774</u>	<u>\$ 2,434,853</u>

**LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2010**

ASSETS

Cash and cash equivalents	\$ 21,715,661
Cash and cash equivalents, restricted	4,092,923
Investments	2,797,142
Property taxes receivable - net	730,105
Accounts receivable	1,151,916
Due from other governments	<u>2,422,583</u>
Total assets	<u>\$ 32,910,330</u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 1,059,437
Deferred revenue	634,558
Accrued wages and benefits	794,429
Due to other funds	1,921,451
Due to other local governments	<u>15,658,868</u>
Total liabilities	<u>20,068,743</u>

Fund balances

Reserved for	
Capital outlay	4,092,923
Contingency	2,913,987
Designated	658,060
Unreserved	
Undesignated	<u>5,176,617</u>
Total fund balances	<u>12,841,587</u>

Total liabilities and fund balances	<u>\$ 32,910,330</u>
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LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the year ended June 30, 2010

REVENUES	\$ 31,320,010
EXPENDITURES	<u>29,824,484</u>
Excess of revenues over expenditures	1,495,526
Other financing sources	
Issuance of general obligation bond anticipation note	1,900,000
Issuance of capital lease	<u>1,586,000</u>
Total other financing sources	<u>3,486,000</u>
Net change in fund balance	4,981,526
FUND BALANCE, BEGINNING OF YEAR	<u>7,860,061</u>
FUND BALANCE, END OF YEAR	<u>\$ 12,841,587</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Administration			
Salaries and wages	\$ 148,665	\$ 154,445	\$ (5,780)
Professional services	4,500	18	4,482
Audit services	75,000	81,600	(6,600)
Legal services	110,000	85,036	24,964
Computer maintenance	50,000	59,001	(9,001)
Vehicle maintenance	500	-	500
Telephone system lease	3,888	3,655	233
Cell phone	1,200	1,176	24
Telephone	4,000	6,058	(2,058)
Advertising notices	3,500	4,427	(927)
Memberships/dues	350	355	(5)
Travel/meetings	3,500	4,739	(1,239)
Computer supplies	1,500	6,564	(5,064)
Office supplies	3,000	3,202	(202)
Postage	1,200	720	480
Vehicle supplies	1,500	99	1,401
Vehicle fuel	2,750	1,307	1,443
Publish ordinances	8,000	3,285	4,715
Total Administration	<u>423,053</u>	<u>415,687</u>	<u>7,366</u>
County Council			
Salaries and wages	88,877	69,404	19,473
Cell phones/pagers	5,520	2,855	2,665
Travel/meetings	13,000	15,040	(2,040)
Travel Allotments	16,800	16,754	46
Total County Council	<u>124,197</u>	<u>104,053</u>	<u>20,144</u>
Judge of Probate			
Salaries and wages	177,760	185,869	(8,109)
Travel Allotment	2,400	2,406	(6)
Court reporter fees	750	-	750
Transports/mental exams	250	-	250
Computer maintenance	4,500	4,595	(95)
Equipment maintenance	4,300	4,131	169
Copier Lease	4,800	4,354	446
Telephone system lease	6,400	3,590	2,810
Memberships/dues	315	335	(20)
Travel/meetings	2,500	1,577	923
Office supplies	6,000	3,953	2,047
Postage and postage meter	3,800	3,907	(107)
Court fees/jury trials	750	-	750
Total Judge of Probate	<u>214,525</u>	<u>214,717</u>	<u>(192)</u>
Registration			
Salaries	91,679	82,387	9,292
Travel Allotment	2,500	2,971	(471)
Equipment maintenance	20,800	23,074	(2,274)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Registration, Continued			
Copier Lease	4,700	2,994	1,706
Telephone System Lease	1,472	1,268	204
Telephone and cell phones	8,000	6,648	1,352
Memberships/dues	800	1,300	(500)
Travel/meetings	8,000	5,896	2,104
Election supplies	22,000	19,672	2,328
Office supplies	8,000	2,310	5,690
Postage	5,000	2,232	2,768
Ballots, poll workers, legal ads	20,000	56,316	(36,316)
Total Registration	<u>192,951</u>	<u>207,068</u>	<u>(14,117)</u>
Capital Expenditures			
Finance system update	-	8,331	(8,331)
Recorder upgrade	43,323	43,258	65
Vehicles and Apparatus	157,071	167,711	(10,640)
Autos/Sheriff	54,000	53,160	840
Computer system	-	6,793	(6,793)
Computer Equipment	2,795	2,971	(176)
Detention Center fire alarm system	20,000	-	20,000
Probate Judge record retention system	34,825	-	34,825
Hillcrest Square security video system	20,000	-	20,000
Telecommunications upgrade	-	29,000	(29,000)
Total Capital Expenditures	<u>332,014</u>	<u>311,224</u>	<u>20,790</u>
Debt Service - Capital Leases			
Auto lease/purchase	260,306	249,558	10,748
Capital leases interest expense	-	10,748	(10,748)
Total Debt Service - Capital Leases	<u>260,306</u>	<u>260,306</u>	<u>-</u>
Human Resources			
Salaries	70,238	71,641	(1,403)
Telephone	1,370	762	608
Advertising notices	6,000	3,567	2,433
Memberships/dues	335	-	335
Training	1,000	-	1,000
Travel/meetings	3,000	1,470	1,530
Office supplies	1,100	378	722
Postage	375	354	21
Cell Phone reimbursement	420	421	(1)
Total Human Resources	<u>83,838</u>	<u>78,593</u>	<u>5,245</u>
Finance Department			
Salaries and wages	155,136	136,231	18,905
Maintenance contract	32,000	36,398	(4,398)
Telephone	2,500	1,930	570
Membership/dues	500	305	195
Travel/meetings	3,300	2,931	369
Office supplies	5,500	5,095	405
Postage	5,000	3,964	1,036
Cell Phone Reimbursement	420	421	(1)
Total Finance Department	<u>204,356</u>	<u>187,275</u>	<u>17,081</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Risk Management			
Salaries and wages	30,421	31,717	(1,296)
Cell Phones	420	421	(1)
Telephone	800	766	34
Travel/per diem	1,200	1,203	(3)
Travel/meetings	500	479	21
Office supplies	1,200	1,296	(96)
Postage	100	68	32
Equipment	-	158	(158)
Safety Reward Program	2,500	558	1,942
Total Risk Management	37,141	36,666	475
Purchasing/Vehicle Maintenance			
Salaries and wages	44,790	44,910	(120)
Vehicle maintenance	1,900	4,476	(2,576)
Copying machine lease	10,000	20,449	(10,449)
Cell phone	875	887	(12)
Telephone	1,350	1,054	296
Advertising notices	800	2,553	(1,753)
Travel/meetings	650	614	36
Computer supplies	400	527	(127)
Office supplies	300	1,715	(1,415)
Postage	75	413	(338)
Vehicle supplies	500	5,241	(4,741)
Vehicle Fuel	2,000	2,267	(267)
Total Purchasing/Vehicle Maintenance	63,640	85,106	(21,466)
Non-Departmental (Ins. & Benefits)			
Fringe benefits			
Health insurance-employer share	1,583,405	1,503,937	79,468
Retirees health insurance-employer share	142,000	97,732	44,268
FICA-employer share	614,793	627,267	(12,474)
Retirement-employer share	750,000	957,884	(207,884)
Unemployment compensation	20,000	27,200	(7,200)
Workers compensation	340,142	391,632	(51,490)
Tort liability	348,250	234,100	114,150
Vehicle insurance	141,700	102,090	39,610
Computer training - staff	25,000	997	24,003
Audit/bank charges	100	29	71
Total Non-Departmental (Ins. & Benefits)	3,965,390	3,942,868	22,522
Auditor			
Salaries and wages	129,831	134,815	(4,984)
Travel allotments	-	1,203	(1,203)
Equipment maintenance	950	985	(35)
Smith data contracts	230,000	180,510	49,490
Copier lease/rental	5,600	3,154	2,446
Telephone system lease	1,100	-	1,100
Telephone	5,000	2,890	2,110
Travel/meetings	1,500	1,230	270
Office supplies	2,500	2,399	101
Postage	875	849	26
Total Auditor	377,356	328,035	49,321

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Treasurer			
Salaries and wages	202,200	204,491	(2,291)
Travel Allotments	2,400	1,203	1,197
Treasurer- Advanced Drug Testing	-	162	(162)
Equipment maintenance	500	370	130
Telephone system lease	1,467	-	1,467
Telephone	3,200	2,779	421
Dues and Memberships	300	200	100
Training	500	665	(165)
Travel Expenditures	4,500	995	3,505
Office supplies	7,000	7,902	(902)
Postage	80,000	81,329	(1,329)
Vehicle Fuel	1,800	843	957
Total Treasurer	303,867	300,939	2,928
Miscellaneous			
Public defender	52,000	52,000	-
Pauper Funerals	500	-	500
Watershed maintenance	30,000	30,000	-
Bonds on employees	5,000	893	4,107
Family court telephone	3,500	3,571	(71)
Circuit judge phone	3,750	2,694	1,056
Soil conservation	5,750	5,750	-
Board Member Mileage	3,000	-	3,000
Total Miscellaneous	103,500	94,908	8,592
Tax Assessor			
Salaries and wages	304,981	301,529	3,452
Equipment maintenance	3,500	250	3,250
Vehicle maintenance	-	96	(96)
Copy machine lease	4,320	4,969	(649)
Map copier lease	4,520	4,722	(202)
Telephone System Lease	1,467	-	1,467
Postage meter lease	4,500	1,662	2,838
Telephone	3,000	3,178	(178)
Membership and dues	-	1,085	(1,085)
Training	10,000	6,150	3,850
Office supplies	7,000	2,241	4,759
Postage	5,000	1,003	3,997
Vehicle fuel	16,650	3,855	12,795
Machines / Equipment	5,000	-	5,000
Dues and Memberships	400	-	400
Total Tax Assessor	370,338	330,740	39,598
Clerk of Court			
Salaries and wages	364,541	378,074	(13,533)
Jurors expense	70,000	55,315	14,685
Deed book scan	15,000	30,000	(15,000)
Equipment maintenance	48,500	47,480	1,020
Maint. Contracts	240	314	(74)
Copier lease	11,700	11,612	88

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Clerk of Court (Continued)			
Telephone system lease	7,335	-	7,335
Telephone	10,000	9,345	655
Travel/meetings	1,200	1,277	(77)
Office supplies	15,000	11,968	3,032
Postage	27,000	27,733	(733)
Child support enforcement	35,000	6,414	28,586
Travel Allotments	1,200	1,203	(3)
Register of deeds supplies	7,500	16,898	(9,398)
Total Clerk of Court	614,216	597,633	16,583
Building and Grounds Maintenance			
Salaries	234,346	215,938	18,408
Drug testing	200	36	164
Building maintenance	75,000	73,312	1,688
Maintenance contracts	24,000	26,874	(2,874)
Radio maintenance	150	150	-
Building insurance	62,037	63,089	(1,052)
Cell phones	480	458	22
Telephone	2,440	2,056	384
Department supplies	200	115	85
Janitorial supplies	24,800	23,464	1,336
Landscape maintenance supplies	15,000	7,400	7,600
Postage	50	-	50
Vehicle supplies	2,680	2,654	26
Vehicle fuel	-	5,594	(5,594)
Utilities	175,000	204,419	(29,419)
Utilities/H.H.S. building	42,000	48,340	(6,340)
Miscellaneous and flags	700	809	(109)
Vehicle fuel	6,170	-	6,170
Total Buildings and Grounds Maintenance	665,253	674,708	(9,455)
Airport			
Salaries and wages	34,568	33,643	925
Equipment maintenance	5,000	684	4,316
Airfield maintenance	2,000	1,565	435
Tractor maintenance	500	434	66
Telephone	750	1,010	(260)
Travel/meetings	800	1,609	(809)
Building maintenance supplies	500	244	256
Office Supplies	-	831	(831)
Postage	75	19	56
Tractor supplies	750	578	172
Utilities	7,250	8,079	(829)
T-Hangar & Taxi-Lane (County)	25,000	25,000	-
Total Airport	77,193	73,696	3,497
Contingency			
Contingency	250,000	194,258	55,742
Total Contingency	250,000	194,258	55,742

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Magistrates			
Salaries and wages	357,444	331,271	26,173
Travel Allotments	4,800	4,813	(13)
Jurors	12,000	260	11,740
Equipment maintenance	12,500	2,491	10,009
Telephone systems lease	1,588	-	1,588
Copier Lease	7,500	4,198	3,302
Telephone and cell phones	7,500	7,948	(448)
Memberships/dues	500	728	(228)
Training/memberships	2,000	2,492	(492)
Travel/meetings	3,000	2,789	211
Office supplies	7,000	5,832	1,168
Office furniture	500	-	500
Equipment	500	426	74
Postage	5,000	3,862	1,138
	<u>421,832</u>	<u>367,110</u>	<u>54,722</u>
Total general government	<u>\$ 9,084,966</u>	<u>\$ 8,805,590</u>	<u>\$ 279,376</u>
PUBLIC SAFETY			
Coroner			
Salaries and wages	56,410	62,779	(6,369)
Advance drug testing	50	36	14
Autopsies	70,000	59,234	10,766
Vehicle maintenance	2,000	2,041	(41)
Copy machine lease	1,400	1,366	34
Telephone system lease	1,677	-	1,677
Cell phone	1,900	1,440	460
Internet	150	-	150
Pagers	400	196	204
Telephone	2,500	2,439	61
Membership/dues	400	240	160
Training	2,500	572	1,928
Department supplies	500	-	500
Office supplies	3,000	3,354	(354)
Vehicle supplies	500	757	(257)
Equipment	1,500	705	795
Vehicle Fuel	6,500	4,539	1,961
	<u>151,387</u>	<u>139,698</u>	<u>11,689</u>
Total Coroner	<u>151,387</u>	<u>139,698</u>	<u>11,689</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
E-911			
Salaries and wages	145,953	155,847	(9,894)
Call check maintenance	3,000	-	3,000
Headset repair/replacement	1,600	1,553	47
Office voice mail	1,500	912	588
Recorder maintenance	12,000	4,173	7,827
Vehicle maintenance	-	497	(497)
Work station maintenance	20,140	19,699	441
Telephone	130,000	163,248	(33,248)
Director telephone	2,400	2,682	(282)
E-911 public awareness	3,000	2,433	567
Training	2,000	-	2,000
Computer supplies	1,500	1,071	429
Copier supplies	2,000	425	1,575
Office supplies	1,000	1,162	(162)
Plotter paper supplies	1,000	304	696
Postage	500	418	82
Uninterrupted power supply	2,000	1,112	888
Vehicle supplies	1,500	875	625
Wireless telephone lines	3,000	6,024	(3,024)
CAD lease purchase	119,800	93,820	25,980
CAD annual maintenance	20,000	15,038	4,962
Vehicle Fuel	1,500	1,265	235
	<u>475,393</u>	<u>472,558</u>	<u>2,835</u>
Total E-911			
Emergency Preparedness			
Salaries and wages	20,496	13,559	6,937
Tornado siren	12,000	11,156	844
Rent/lease equipment	8,500	2,915	5,585
Telephone system lease	1,668	-	1,668
Telephone	4,000	4,707	(707)
Membership/Dues	250	240	10
Training	2,000	2,685	(685)
Travel	1,000	1,573	(573)
Office supplies	2,000	3,041	(1,041)
Postage	200	200	-
Uniforms	300	296	4
Machines/equipment	500	64	436
LEMPG Grant Expenditures	-	22,475	(22,475)
	<u>52,914</u>	<u>62,911</u>	<u>(9,997)</u>
Total Emergency Preparedness			
Emergency Operations			
Salaries and wages	487,683	465,190	22,493
Overtime	69,649	94,102	(24,453)
Advance drug testing	150	192	(42)
COG mapping agreement	1,000	1,000	-
Charter records fiber network	6,000	6,425	(425)
DTN weather service	3,800	3,855	(55)
Service contract - Radio	41,000	28,374	12,626
Telephone maintenance	6,900	6,950	(50)
Vehicle maintenance	2,200	922	1,278
Copier lease	7,400	7,764	(364)
SLED NCIC terminal	7,500	5,500	2,000

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
Emergency Operations (Continued)			
Telephone	39,000	27,526	11,474
Emergency line	15,000	7,971	7,029
Memberships/dues	500	424	76
Training	3,000	1,747	1,253
Travel/per diem	2,000	2,004	(4)
Computer supplies	1,500	583	917
Copier supplies	1,000	643	357
Office supplies	4,250	5,263	(1,013)
Postage	700	632	68
Road signs	12,000	10,203	1,797
Uniforms	500	40	460
Vehicle supplies	1,000	63	937
Vehicle Fuel	5,800	4,753	1,047
Office furniture	1,000	965	35
GIS Software Maintenance	6,000	11,341	(5,341)
Plotter 800 Snnual Maintenance	2,000	-	2,000
GIS Server Supplies	1,800	1,504	296
Walkie Talkie Monthly User Fee	1,250	903	347
GIS Contractual Service	100,000	99,446	554
Total Emergency Operations	<u>831,582</u>	<u>796,285</u>	<u>35,297</u>
Emergency Medical Services			
Salaries and wages	1,214,565	1,102,072	112,493
Overtime	505,000	537,163	(32,163)
Holiday work pay	25,968	20,017	5,951
Fringe benefits	789,680	742,174	47,506
Professional Services	100,625	98,274	2,351
Copier maintenance	4,500	3,947	553
Equipment maintenance	12,000	12,919	(919)
Vehicle maintenance	40,000	61,328	(21,328)
Telephone systems lease	3,336	-	3,336
Technology	20,000	9,345	10,655
Cellular Phones	7,750	7,747	3
Telephone	24,000	21,991	2,009
Memberships and dues	-	800	(800)
Training	17,000	12,096	4,904
Travel	1,600	1,576	24
Building maintenace	7,500	5,338	2,162
Laundry and linen	500	93	407
Medical supplies	150,000	131,947	18,053
Office supplies	6,600	4,015	2,585
Uniforms	28,714	22,204	6,510
Vehicle supplies	155,000	188,144	(33,144)
Utilities	22,000	25,673	(3,673)
Infection control	5,000	2,414	2,586
EMS grant expenditures	26,500	16,612	9,888
Petty cash	500	82	418
Total Emergency Medical Services	<u>3,168,338</u>	<u>3,027,971</u>	<u>140,367</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
Victims' Assistance			
Salaries and wages	92,388	92,528	(140)
Fringe benefits	35,947	32,082	3,865
Computer system maintenance	4,000	86	3,914
Vehicle maintenace	1,000	276	724
Fax	-	-	-
Telephone	2,150	1,462	688
Printing and binding	1,500	1,118	382
Dues	250	-	250
Travel/Meetings-Victims Assitance	-	8	(8)
Travel/training	3,500	1,012	2,488
Copier supplies	350	271	79
Office supplies	750	931	(181)
Postage	600	132	468
Vehicle supplies	1,100	48	1,052
Law tracks	11,520	17,770	(6,250)
Contingency	10,000	70	9,930
Vehicle Fuel	3,000	3,321	(321)
Cell Phone Expenditures	1,800	1,540	260
Telephone system lease	733	-	733
Total Victim's Assistance	170,588	152,655	17,933
Sheriff			
Salaries and wages	2,169,865	2,110,616	59,249
Overtime	145,642	159,755	(14,113)
Holiday work pay	27,726	24,687	3,039
Travel allotments	1,200	1,203	(3)
Uniform allowance	-	7,125	(7,125)
Advance drug testing	2,000	960	1,040
Professional services	1,800	-	1,800
Transports/mental exams	2,000	3,058	(1,058)
Towing/storage seized vehicles	6,000	5,535	465
Computer maintenance	18,000	28,308	(10,308)
Copier lease	13,000	16,671	(3,671)
Telephone maintenance	2,875	792	2,083
Vehicle maintenance	210,000	205,980	4,020
Telephone system lease	7,825	3,959	3,866
Fidelity bonds	700	690	10
Cell phones	12,500	10,617	1,883
Telephone	33,000	35,299	(2,299)
Membership/Dues	1,500	1,699	(199)
Training	9,000	12,038	(3,038)
Travel/meetings	4,500	2,000	2,500
DARE explorer	500	604	(104)
DARE community	500	290	210
Sheriff N800 Palmetto Radio Service	35,000	47,978	(12,978)
Charter Wan Service	2,400	13,373	(10,973)
Department supplies	20,000	25,214	(5,214)
K-nine maintenance supplies	3,000	1,355	1,645
Office supplies	10,000	9,105	895
Postage	8,000	9,734	(1,734)
Reserve deputy supplies	7,000	(1,000)	8,000
Uniforms	60,000	68,405	(8,405)
Vehicle supplies	390,000	392,568	(2,568)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
Sheriff (Continued)			
BJA grant expense	24,210	-	24,210
Crime prevention program	1,500	1,018	482
Drug Fund/Stolen Property	750	385	365
DARE Program	2,500	3,210	(710)
State drug forfeitures	-	25,717	(25,717)
Child support enforcement	18,000	13,625	4,375
Sex offender registration fee due	10,000	11,350	(1,350)
Sex offender computer maintenance	1,500	1,292	208
Total Sheriff	3,263,993	3,255,215	8,778
Detention Center			
Salaries and wages	1,015,558	1,077,977	(62,419)
Overtime	116,097	105,216	10,881
Uniform allowance	-	1,447	(1,447)
Advanced Drug Testing	-	756	(756)
Physician and medical supplies	275,000	234,819	40,181
Systems maintenance	75,000	77,056	(2,056)
Rental & lease - equipment	-	994	(994)
Copier Lease	10,000	8,234	1,766
Telephone	22,000	24,654	(2,654)
Juvenile incarceration	45,000	21,650	23,350
Training	15,000	14,948	52
Department supplies	32,000	51,595	(19,595)
Laundry and linen	2,500	8,713	(6,213)
Janitorial supplies	40,000	18,526	21,474
Office supplies	14,000	12,604	1,396
Postage	-	1,720	(1,720)
Utilities	130,000	152,231	(22,231)
Food/provisions	275,000	343,964	(68,964)
Inmate welfare	15,000	35,624	(20,624)
SCAAP grant expenditures	-	1,417	(1,417)
Total Detention Center	2,082,155	2,194,145	(111,990)
Road/Bridges			
Salaries and wages	390,816	370,261	20,555
Professional services	500	528	(28)
Vehicle maintenance	45,000	45,717	(717)
Telephone	680	602	78
Training	400	-	400
Bridge maintenance supplies	40,000	12,488	27,512
Dept supplies	167,000	184,116	(17,116)
Office supplies	500	428	72
Pipe	18,000	18,000	-
Postage	75	-	75
Road signs	10,000	7,221	2,779
Vehicle supplies	19,000	17,920	1,080
Utilities	6,300	7,067	(767)
Cell Phone	450	493	(43)
Vehicle Fuel	73,500	73,822	(322)
Total Road/Bridges	772,221	738,663	33,558

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
Inspections/Permits			
Salaries	261,435	236,109	25,326
Professional services	1,500	-	1,500
Demolition and cleanup	20,000	28,983	(8,983)
Vehicle maintenance	5,000	3,096	1,904
Copy machine lease	4,000	4,970	(970)
Telephone system lease	1,467	447	1,020
Telephone and cell phones	6,600	6,893	(293)
Training/uniforms	8,000	2,759	5,241
Travel	4,000	3,038	962
Computer supplies	4,000	2,297	1,703
Office supplies	10,000	9,333	667
Vehicle supplies	3,000	4,776	(1,776)
Vehicle Fuel	13,000	14,362	(1,362)
Total Inspections/Permits	<u>342,002</u>	<u>317,063</u>	<u>24,939</u>
Total public safety	<u>\$ 11,310,573</u>	<u>\$ 11,157,164</u>	<u>\$ 153,409</u>
PUBLIC WORKS			
Public Works			
Salaries and wages	114,448	116,664	(2,216)
Contractual services	1,000	791	209
Vehicle maintenance	400	305	95
Telephone and cell phones	2,200	2,093	107
Memberships/dues	400	247	153
Training	250	-	250
Travel/meetings	1,100	890	210
Office supplies	1,000	1,140	(140)
Postage	550	552	(2)
Uniforms	12,000	10,590	1,410
Vehicle supplies	1,400	1,618	(218)
Total Public Works	<u>134,748</u>	<u>134,890</u>	<u>(142)</u>
Solid Waste Management			
Salaries	632,357	625,809	6,548
Overtime	30	-	30
Fringe benefits	268,914	220,704	48,210
Pay in lieu of insurance	5,110	5,123	(13)
Advanced drug testing	-	382	(382)
Professional services	11,000	5,400	5,600
Tire disposal fees	26,800	15,708	11,092
Well monitor	18,000	16,300	1,700
Equipment maintenance	81,800	52,377	29,423
Cell Phone	1,850	1,947	(97)
Telephone	2,850	2,608	242
Equipment supplies	37,000	24,506	12,494
Dump site maintenance	12,650	11,697	953
Litter/humane equipment & supplies	26,100	27,874	(1,774)
Landfill maintenance supplies	14,500	19,843	(5,343)
Postage	100	33	67
Vehicle fuel	114,000	87,396	26,604
Utilities	14,500	13,286	1,214

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS (Continued)			
Solid Waste Management (Continued)			
Transfer station fees	670,000	655,606	14,394
Miscellaneous	1,500	993	507
Vehicle lease/purchase	41,711	-	41,711
Total Solid Waste Management	<u>1,980,772</u>	<u>1,787,592</u>	<u>193,180</u>
Total public works	<u>\$ 2,115,520</u>	<u>\$ 1,922,482</u>	<u>\$ 193,038</u>
HEALTH AND WELFARE			
Veterans Affairs			
Salaries and wages	90,629	101,034	(10,405)
Equipment maintenance	2,000	3,170	(1,170)
Vehicle maintenance	2,500	5,227	(2,727)
Telephone system lease	883	1,268	(385)
Telephone	2,200	3,018	(818)
Travel/meetings	1,500	430	1,070
Office supplies	3,000	1,153	1,847
Postage	1,000	1,076	(76)
Vehicle supplies	1,500	887	613
Cell Phone Expenditures	1,800	1,566	234
Vehicle Fuel	6,000	2,593	3,407
Total Veteran's Affairs	<u>113,012</u>	<u>121,422</u>	<u>(8,410)</u>
Health Department			
Telephone	-	1,131	(1,131)
Emergency contingency	14,000	12,753	1,247
Total Health Department	<u>250</u>	<u>-</u>	<u>250</u>
Total Health Department	<u>14,250</u>	<u>13,884</u>	<u>366</u>
Social Services			
Telephone	16,000	18,598	(2,598)
Total health and welfare	<u>\$ 143,262</u>	<u>\$ 153,904</u>	<u>\$ (10,642)</u>
CULTURE AND RECREATION			
Parks and Recreation			
Salaries and wages	59,986	52,140	7,846
Travel Allotments	1,200	1,063	137
Professional services	800	18	782
Equipment maintenance	1,500	2,966	(1,466)
Grounds maintenance	16,000	16,385	(385)
Vehicle maintenance	1,000	63	937
Cell Phone	450	886	(436)
Telephone	900	1,351	(451)
Laurens YMCA	5,200	350	4,850
Training/membership dues	400	-	400
Travel/meetings	800	378	422
Department supplies	2,400	3,934	(1,534)
Postage	100	36	64
Vehicle supplies	2,500	478	2,022

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
CULTURE AND RECREATION (Continued)			
Parks and Recreation (Continued)			
Vehicle Fuel	3,500	2,322	1,178
Utilities	13,000	10,995	2,005
Community projects	32,000	35,766	(3,766)
Total Parks and Recreation	<u>141,736</u>	<u>129,131</u>	<u>12,605</u>
Library			
Salaries	447,966	442,493	5,473
Drug testing	-	144	(144)
Professional services	7,800	7,355	445
Bookmobile maintenance	2,500	2,416	84
Computer maintenance	26,000	26,055	(55)
Equipment maintenance	9,000	7,862	1,138
Telephone	5,000	5,141	(141)
Travel/meetings	3,500	3,635	(135)
Bookmobile supplies	2,500	471	2,029
Department supplies	70,000	70,000	-
Office supplies	6,500	6,726	(226)
Postage	2,500	2,477	23
Utilities	43,000	47,957	(4,957)
Total Library	<u>626,266</u>	<u>622,732</u>	<u>3,534</u>
Total recreation	<u>\$ 768,002</u>	<u>\$ 751,863</u>	<u>\$ 16,139</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT			
Local Government Assistance			
Solicitor's Office	222,000	222,000	-
Economic Development/Chamber of Commerce	32,000	32,000	-
National Association of Counties	1,400	1,357	43
S.C. Association of Counties	13,894	13,894	-
Upper Savannah C.O.G.	48,707	48,707	-
	<u>318,001</u>	<u>317,958</u>	<u>43</u>
Special Appropriations			
GLEAMNS	9,500	9,500	-
Laurens fed./blind	3,600	3,600	-
Senior options	7,700	7,700	-
Humane Society	6,000	6,000	-
	<u>26,800</u>	<u>26,800</u>	<u>-</u>
Clemson Extension			
Beautification project	1,200	1,133	67
4-H Project	35,000	35,000	-
Office supplies	3,000	1,548	1,452
Utilities	5,600	6,044	(444)
Total Clemson Extension	<u>44,800</u>	<u>43,725</u>	<u>1,075</u>
Total intergovernmental and private non-profit	<u>\$ 389,601</u>	<u>\$ 388,483</u>	<u>\$ 1,118</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 23,811,924</u>	<u>\$ 23,179,486</u>	<u>\$ 632,438</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2010

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
NON-BUDGETED EXPENDITURES			
Local option sales tax distributed		2,409,834	
State for road maintenance		1,312,260	
Reedy River project expenditures		834,583	
Public works grant expenditures		355,683	
Old Laurens Road improvement project		303,950	
Detention Center renovation & improvement		295,645	
T-hangar & taxi lane project		257,678	
Technical education		169,412	
Justice grant		160,121	
Clinton frontage road project		156,025	
Sheriff Department - hospital services		127,072	
Sheriff Department - Gray Court services		63,748	
Indigent care		90,774	
Economic development		87,863	
American Titanium Works project		20,350	
Total non-budgeted expenditures		6,644,998	
TOTAL EXPENDITURES		\$ 29,824,484	

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2010**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom	Greenpond	Hickory Tavern
ASSETS									
Cash held at fire departments	\$ -	\$ -	\$ -	\$ 63,189	\$ 84,717	\$ 39,345	\$ 101,603	\$ 115,746	\$ 90,537
Taxes receivable - net	-	20,780	16,178	-	-	-	-	-	-
Due from other funds	-	775,455	56,147	-	-	-	-	-	-
Due from other governments	3,786	-	-	-	-	-	-	-	-
Total assets	<u>3,786</u>	<u>796,235</u>	<u>72,325</u>	<u>63,189</u>	<u>84,717</u>	<u>39,345</u>	<u>101,603</u>	<u>115,746</u>	<u>90,537</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	-	11,954	-	-	-	-	-	-	-
Deferred revenue	-	18,352	14,465	-	-	-	-	-	-
Total liabilities	-	30,306	14,465	-	-	-	-	-	-
Fund balances									
Designated	-	19,880	-	-	-	-	-	-	-
Unreserved									
Undesignated	3,786	746,049	57,860	63,189	84,717	39,345	101,603	115,746	90,537
Total fund balances	3,786	765,929	57,860	63,189	84,717	39,345	101,603	115,746	90,537
Total liabilities and fund balances	<u>\$ 3,786</u>	<u>\$ 796,235</u>	<u>\$ 72,325</u>	<u>\$ 63,189</u>	<u>\$ 84,717</u>	<u>\$ 39,345</u>	<u>\$ 101,603</u>	<u>\$ 115,746</u>	<u>\$ 90,537</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2010**

	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
ASSETS								
Cash held at fire departments	\$ 39,855	\$ 68,449	\$ 36,762	\$ 21,304	\$ 78,997	\$ 73,756	\$ 29,244	\$ 843,504
Taxes receivable - net	-	-	-	-	-	-	-	36,958
Due from other funds	-	-	-	-	-	-	-	831,602
Due from other governments	-	-	-	-	-	-	-	3,786
	<u>39,855</u>	<u>68,449</u>	<u>36,762</u>	<u>21,304</u>	<u>78,997</u>	<u>73,756</u>	<u>29,244</u>	<u>1,715,850</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	-	-	-	-	-	-	-	11,954
Deferred revenue	-	-	-	-	-	-	-	32,817
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,771</u>
Fund balances								
Designated	-	-	-	-	-	-	-	19,880
Unreserved								
Undesignated	39,855	68,449	36,762	21,304	78,997	73,756	29,244	1,651,199
Total fund balances	<u>39,855</u>	<u>68,449</u>	<u>36,762</u>	<u>21,304</u>	<u>78,997</u>	<u>73,756</u>	<u>29,244</u>	<u>1,671,079</u>
Total liabilities and fund balances	<u>\$ 39,855</u>	<u>\$ 68,449</u>	<u>\$ 36,762</u>	<u>\$ 21,304</u>	<u>\$ 78,997</u>	<u>\$ 73,756</u>	<u>\$ 29,244</u>	<u>\$ 1,715,850</u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2010

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom	Greenpond
REVENUES								
Property taxes	\$ -	\$ 264,351	\$ 172,631	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	186,483	-	-	-	-	-	-	-
Fundraising income	-	-	-	-	-	-	1,505	200
Interest	-	-	-	-	-	-	53	-
Other income	26,475	-	-	12,456	4,594	1,545	-	-
	<u>212,958</u>	<u>264,351</u>	<u>172,631</u>	<u>12,456</u>	<u>4,594</u>	<u>1,545</u>	<u>1,558</u>	<u>200</u>
Total revenues	212,958	264,351	172,631	12,456	4,594	1,545	1,558	200
EXPENDITURES								
Salaries and wages	-	74,511	-	-	-	-	-	-
Fringe benefits	-	20,526	-	-	-	-	-	-
Professional services	-	396	-	-	-	-	-	-
Physician and medical supplies	-	6,815	-	-	-	-	-	-
Equipment repairs	-	24,715	-	5,879	4,933	786	414	1,214
Vehicle repairs	-	5,396	-	1,085	2,287	2,015	323	16
Rent expense	-	5,862	-	-	-	-	-	-
Telephone	-	10,531	-	5,927	2,656	2,742	1,015	1,444
Dues and subscriptions	-	1,110	-	295	405	77	550	25
Training	-	8,216	-	955	958	19	1,092	440
Travel and meetings	-	6,206	-	1,938	74	-	266	-
Fire prevention supplies	-	3,531	-	-	-	-	-	-
Office supplies and equipment	-	4,160	-	-	3,672	2,001	803	557
Postage	-	1,961	-	110	288	114	123	-
Uniforms	-	75	-	-	-	-	-	-
Vehicle supplies	-	56	-	-	-	-	-	-
Fuel and oil	-	13,111	-	30	547	3,009	180	955
Books and publications	-	111	-	510	-	-	-	-
Building repairs (reimbursements)	-	-	-	1,336	5,029	2,502	3,811	1,091
Capital outlay	-	88,042	-	15,503	-	-	7,056	1,365
Bank charges	-	3,900	-	308	603	515	-	-
Advertising/printing/supplies	-	-	-	1,078	932	-	413	258
Utilities	-	-	-	7,351	9,809	7,318	5,988	1,116
Maintenance contract	-	-	-	1,970	1,975	-	-	-
1st responder supplies	-	-	-	1,103	-	-	-	-
Cleaning supplies	-	-	-	1,014	625	424	173	-
Other	-	-	-	297	1,241	2,868	2,401	180
Fundraising expense	-	-	-	-	-	439	3,250	424
Fire fighting supplies and equipment	-	-	-	18,938	35,497	10,342	26,018	11,360
Economic development	209,172	-	-	-	-	-	-	-
Fireman's fund expenditures	-	-	-	2,689	-	-	-	-

(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, 2010

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Gray Court	Cross Hill	Durbin Creek	Ekom	Greenpond
EXPENDITURES, Continued								
Contingency	-	5,395	-	-	-	-	-	-
Debt service:								
Principal	-	-	190,082	-	-	-	-	-
Interest	-	-	10,835	-	-	-	-	-
Total expenditures	<u>209,172</u>	<u>284,626</u>	<u>200,917</u>	<u>68,316</u>	<u>71,531</u>	<u>35,171</u>	<u>53,876</u>	<u>20,445</u>
Excess (deficiency) of revenues over expenditures	<u>3,786</u>	<u>(20,275)</u>	<u>(28,286)</u>	<u>(55,860)</u>	<u>(66,937)</u>	<u>(33,626)</u>	<u>(52,318)</u>	<u>(20,245)</u>
OTHER FINANCING SOURCES								
Transfers in	-	-	-	69,900	62,590	46,200	31,400	\$ 42,200
Total other financing sources (uses)	-	-	-	<u>69,900</u>	<u>62,590</u>	<u>46,200</u>	<u>31,400</u>	<u>42,200</u>
Net change in fund balance	3,786	(20,275)	(28,286)	14,040	(4,347)	12,574	(20,918)	21,955
FUND BALANCES, BEGINNING OF YEAR	-	786,204	86,146	49,149	89,064	26,771	122,521	93,791
FUND BALANCES, END OF YEAR	<u>\$ 3,786</u>	<u>\$ 765,929</u>	<u>\$ 57,860</u>	<u>\$ 63,189</u>	<u>\$ 84,717</u>	<u>\$ 39,345</u>	<u>\$ 101,603</u>	<u>\$ 115,746</u>

(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, 2010

	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,982
Intergovernmental	8,203	-	17,240	-	96,375	-	62,222	-	370,523
Fundraising income	-	-	-	-	-	-	-	-	1,705
Interest	35	6	70	1	4	28	67	8	272
Other income	10,067	8,461	499	2,142	-	1,106	847	1,752	69,944
Total revenues	18,305	8,467	17,809	2,143	96,379	1,134	63,136	1,760	879,426
EXPENDITURES									
Salaries and wages	-	-	-	-	-	-	-	-	74,511
Fringe benefits	-	-	-	-	-	-	-	-	20,526
Professional services	-	-	-	-	-	-	-	-	396
Physician and medical supplies	-	-	-	-	-	-	-	-	6,815
Equipment repairs	13,203	2,939	692	1,528	1,374	1,943	2,812	3,637	66,069
Vehicle repairs	8,272	9,343	227	718	3,102	950	247	2,104	36,085
Rent expense	-	-	-	-	-	-	-	-	5,862
Telephone	1,111	3,803	1,117	2,836	2,391	3,390	1,685	2,154	42,802
Dues and subscriptions	25	-	545	-	1,059	500	210	25	4,826
Training	2,322	155	90	-	277	1,047	11,155	1,688	28,414
Travel and meetings	-	-	-	-	500	-	637	-	9,621
Fire prevention supplies	-	-	-	-	-	-	-	-	3,531
Office supplies and equipment	216	-	1,720	513	678	355	809	2,076	17,560
Postage	112	206	100	44	202	84	79	44	3,467
Uniforms	-	-	-	-	-	-	-	-	75
Vehicle supplies	-	-	-	-	-	-	-	-	56
Fuel and oil	322	-	-	-	-	-	394	557	19,105
Books and publications	30	-	-	-	86	-	150	270	1,157
Building repairs (reimbursements)	3,335	1,368	611	1,280	2,044	12,800	593	3,312	39,112
Capital outlay	8,674	3,103	55,634	-	96,306	9,373	12,479	957	298,492
Bank charges	362	162	24	54	56	335	45	36	6,400
Advertising/printing/supplies	952	3,595	198	328	466	800	682	44	9,746
Utilities	7,979	12,106	2,667	4,325	4,877	6,939	5,596	9,004	85,075
Maintenance contract	-	-	120	-	1,159	750	-	-	5,974
1st responder supplies	-	-	-	174	538	-	356	890	3,061
Cleaning supplies	14	-	-	301	94	-	134	-	2,779
Other	413	349	286	184	1,083	969	329	740	11,340
Fundraising expense	-	-	-	2,267	-	-	-	-	6,380
Fire fighting supplies and equipment	29,092	12,000	17,109	2,673	9,913	19,474	46,565	15,147	254,128
Economic development	-	-	-	-	-	-	-	-	209,172
Fireman's fund expenditures	3,989	1,320	-	-	-	-	-	-	7,998

(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, 2010

	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
EXPENDITURES, Continued									
Contingency	-	-	-	-	-	-	-	-	5,395
Debt service:									
Principal	-	-	-	-	-	-	-	-	190,082
Interest	-	-	-	-	-	-	-	-	10,835
Total expenditures	<u>80,423</u>	<u>50,449</u>	<u>81,140</u>	<u>17,225</u>	<u>126,205</u>	<u>59,709</u>	<u>84,957</u>	<u>42,685</u>	<u>1,486,847</u>
Excess (deficiency) of revenues over expenditures	<u>(62,118)</u>	<u>(41,982)</u>	<u>(63,331)</u>	<u>(15,082)</u>	<u>(29,826)</u>	<u>(58,575)</u>	<u>(21,821)</u>	<u>(40,925)</u>	<u>(607,421)</u>
OTHER FINANCING SOURCES									
Transfers in	<u>57,103</u>	<u>51,750</u>	<u>39,875</u>	<u>22,400</u>	<u>41,800</u>	<u>54,575</u>	<u>46,550</u>	<u>49,900</u>	<u>616,243</u>
Total other financing sources (uses)	<u>57,103</u>	<u>51,750</u>	<u>39,875</u>	<u>22,400</u>	<u>41,800</u>	<u>54,575</u>	<u>46,550</u>	<u>49,900</u>	<u>616,243</u>
Net change in fund balance	(5,015)	9,768	(23,456)	7,318	11,974	(4,000)	24,729	8,975	8,822
FUND BALANCES, BEGINNING OF YEAR	<u>95,552</u>	<u>30,087</u>	<u>91,905</u>	<u>29,444</u>	<u>9,330</u>	<u>82,997</u>	<u>49,027</u>	<u>20,269</u>	<u>1,662,257</u>
FUND BALANCES, END OF YEAR	<u>\$ 90,537</u>	<u>\$ 39,855</u>	<u>\$ 68,449</u>	<u>\$ 36,762</u>	<u>\$ 21,304</u>	<u>\$ 78,997</u>	<u>\$ 73,756</u>	<u>\$ 29,244</u>	<u>\$ 1,671,079</u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
June 30, 2010

	Special Source Revenue Bond	General Obligation bond	Total
ASSETS			
Due from other funds	\$ -	\$ 758,058	\$ 758,058
Property taxes receivable	-	63,291	63,291
Total assets	<u>\$ -</u>	<u>\$ 821,349</u>	<u>\$ 821,349</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Deferred revenue	\$ -	\$ 57,575	\$ 57,575
Total liabilities	-	57,575	57,575
FUND BALANCES			
Reserved for:			
Debt service	-	763,774	763,774
Total fund balances	-	763,774	763,774
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 821,349</u>	<u>\$ 821,349</u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2010

	Special Source Revenue Bond	General Obligation bond	Total
REVENUES			
Property taxes	\$ -	\$ 704,025	\$ 704,025
Fee in lieu of taxes	324,090	16,404	340,494
Interest	-	11,615	11,615
Total revenues	<u>324,090</u>	<u>732,044</u>	<u>1,056,134</u>
EXPENDITURES			
Debt service			
Principal retirement	260,000	429,228	689,228
Interest and fiscal charges	<u>64,090</u>	<u>67,632</u>	<u>131,722</u>
Total expenditures	<u>324,090</u>	<u>496,860</u>	<u>820,950</u>
Net change in fund balances	-	235,184	235,184
Fund balances, beginning of the year	-	<u>528,590</u>	<u>528,590</u>
Fund balances, end of the year	<u>\$ -</u>	<u>\$ 763,774</u>	<u>\$ 763,774</u>

**LAURENS COUNTY, SOUTH CAROLINA
FINES, ASSESSMENTS AND SURCHARGES
VICTIMS' ASSISTANCE FUNDS
For the year ended June 30, 2010**

Court Fines	
Court fines collected	\$ 905,184
Court fines retained by County	<u>503,680</u>
Court fines remitted to State Treasurer	<u><u>\$ 401,504</u></u>
Court Assessments	
Court assessments collected	\$ 547,137
Court assessments retained by County	<u>107,127</u>
Court assessments remitted to State Treasurer	<u><u>\$ 440,010</u></u>
Court Surcharges	
Court surcharges collected	\$ 791,158
Court surcharges retained by County	<u>549,416</u>
Court surcharges remitted to State Treasurer	<u><u>\$ 241,742</u></u>
Victims' Assistance	
Court assessments allocated to Victims' Assistance	\$ 54,497
Court surcharges allocated to Victims' Assistance	52,630
Intergovernmental funds	32,162
Local funds	<u>13,366</u>
Funds allocated to Victims' Assistance	152,655
Victims' Assistance expenditures	<u>(152,655)</u>
Funds available for carryforward	\$ -
Fund carried forward from prior year	<u>-</u>
Funds available for carryforward to subsequent year	<u><u>\$ -</u></u>



**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
Laurens County
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 (the County) as of and for the year ended June 30, 2010 which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 11, 2011. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting, findings 2010-1, 2010-2 and 2010-3, that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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*.

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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, slightly slanted style.

Greenwood, South Carolina
February 11, 2011



**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
Laurens County
Laurens, South Carolina

Compliance

We have audited the compliance of Laurens County, South Carolina (the County) 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, 2010. 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, 2010.

Internal control over compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 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.

A handwritten signature in black ink that reads "Eusoff Davis, LLC". The signature is written in a cursive, slightly slanted style.

Greenwood, South Carolina
February 11, 2011

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through State Department of Commerce				
Community Development Block Grant	14.228	4-CI-08-020	\$ 315,000	\$ 179,380
Community Development Block Grant	14.228	4-CI-09-012	\$ 292,400	<u>3,317</u>
				<u>\$ 182,697</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through South Carolina Department of Transportation				
Highway Planning and Construction	20.205	EM05(22)	\$ 3,350,160	\$ 243,160
Highway Planning and Construction	20.205	EM05 (27)	\$ 2,240,000	156,025
Airport Improvement Program	20.106	3-45-0036-008-2009	\$ -	<u>257,678</u>
				<u>\$ 656,863</u>
<u>U S DEPARTMENT OF JUSTICE</u>				
Passed through the Office of the Justice Program				
Edward R. Byrne Justice Assistance Grant	16.738	2007-DJ-BX-1351	\$ 36,747	\$ 13,259
Edward R. Byrne Justice Assistance Grant	16.738	2009-DJ-BX-0883	\$ 29,676	29,676
ARRA - Edward R. Byrne Justice Assistance Grant	16.738	2009-SB-B9-0796	\$ 121,898	<u>117,185</u>
				<u>\$ 160,120</u>
<u>U. S. HOMELAND SECURITY ADMINISTRATION</u>				
Passed through S C Law Enforcement Division:				
Local Emergency Management Performance	97.042	9EMPG01	\$ 36,316	\$ 22,088
Local Emergency Management Performance	97.042	10EMPG01	\$ 57,895	<u>6,439</u>
				<u>\$ 28,527</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Passed through the Office of the Adjutant General:				<u>\$ 20,649</u>
Total federal assistance expended				<u>\$ 1,048,856</u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section I - SUMMARY OF AUDIT RESULTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? X yes no
- Significant deficiency identified that is not considered to be a material weakness yes X none reported

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? yes X no
- Significant deficiency identified that is not considered to be a material weakness yes X none reported

Noncompliance material to federal awards yes X no

Type of auditors' report issued on compliance for major federal programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
20.205	US Department of Transportation - Highway Planning and Construction
16.738	US Department of Justice - Edward R. Byrne Justice Assistance Grant (ARRA)

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000

Auditee qualified as low-risk auditee? X yes no

Section II – FINANCIAL STATEMENT FINDINGS

Item 2010-1: County Accounts Not Maintained on the County General Ledger

Condition

Financial transactions related to "C" Funds, Delinquent Tax Collector collection account and grant funds administered on behalf of the County by the Upper Savannah Council of Governments (USCOG) are not currently maintained in the County's accounting system. Separate bank accounts and accounting records are maintained by the above named entities, and these funds and transactions are only recorded or reported by the County at year end when summary information is received.

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section II – FINANCIAL STATEMENT FINDINGS, Continued

Item 2010-1: County Accounts Not Maintained on the County General Ledger, Continued

Criteria

The County is responsible for management and reporting on assurance that monies held by the “C” fund committee, the Delinquent Tax Collector and the USCOG are being spent appropriately and transactions recorded properly.

Effect

Cash balances and transactions are not recorded on the general ledger to account for funds held in the above identified accounts.

Recommendation

We recommend the identified cash accounts and related transactions be reviewed on a monthly basis by the Finance Director and that such monies and transactions be recorded in the general ledger accounts of the County, included in the restricted cash balances and related revenues and expenditures recorded in a timely manner as they occur.

Management Response

The finance director will examine this issue and determine procedures to properly record “C” fund, Delinquent Tax Collector account and grant fund activity on the general ledger.

Item 2010-2: Financial Reporting Process and Year End Close

Condition

There appears to be no defined procedures to ensure financial reporting is accurate and timely and provide sufficient information for management. Additionally, the year end close process resulted in inaccurate closing accounts causing the general ledger to be out of balance by a material amount.

Criteria

The County’s accounting processes should include procedures to ensure financial reporting is made on a timely basis with accurate information, and that monthly and annual closing processes result in balanced accounts at the individual fund ledger and overall general ledger levels.

Effect

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

Recommendation

We recommend management develop detailed procedures and implement processes to review the integrity of balanced funds and general ledgers, and to provide quarterly accurate financial information in a reasonable time.

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2010

Section II – FINANCIAL STATEMENT FINDINGS, Continued

Item 2010-2: Financial Reporting Process and Year End Close, Continued

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. Progress is being made, and this continues to be one of the highest priorities for the finance department and treasurer's office.

Item 2010-3: Dual General Ledger Reconciliation

Condition

The general ledger (CSI) revenue accounts were not reconciled with the ledgers maintained by the Treasurer (Smith Data System) during the year. Certain revenue and revenue apportionment accounts were misstated significantly.

Criteria

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

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. Progress is being made, and this continues to be one of the highest priorities for the finance department and treasurer's office.

Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- None reported

LAURENS COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2010

FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported