

**LAURENS COUNTY,
SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

LAURENS COUNTY, SOUTH CAROLINA

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INDEPENDENT AUDITOR'S REPORT

Laurens County Council
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 (the County) as of and for the year ended June 30, 2012 which collectively comprise the County's basic 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 unit. 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 unit would have been presented as \$999,631, \$63,259, \$936,372, \$887,959, and \$954,915, respectively.

In our opinion the financial statements referred to previously 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, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2013, on our consideration of Laurens County's internal control over financial reporting and on 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. This 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress – other post employment benefits plan as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 major and nonmajor fund financial statements, schedule of fines and assessments and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and non-major fund financial statements, schedule of fines and assessments, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenwood, South Carolina
March 22, 2013

Elliott Davis, LLC

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, 2012. 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, 2011 by \$71.5 million (net assets). Of this amount, \$62.5 million are invested in capital assets, net of related debt, \$8.3 million is restricted for capital activity, debt service and contingency, and approximately \$743 thousand is unrestricted.
- The County repaid \$1.75 million of bond and capital lease payables during the year and issued \$771 thousand in general obligation bonds.
- During the year, the County's general fund balance decreased by \$3.2 million.
- The general fund actual revenues were \$893 thousand greater than budgeted and general fund expenditures were \$631 thousand more 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 \$5.3 million or 6.9 percent between fiscal years 2011 and 2012. (See Table A-1.)

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

	Governmental Activities		Total Percentage Change
	2011	2012	
Current and other assets	\$ 37,621	\$ 35,575	-5.4%
Capital assets	75,736	76,424	0.9%
Total assets	<u>113,357</u>	<u>111,999</u>	-1.2%
Long-term debt outstanding	19,092	19,313	1.2%
Other liabilities	17,475	21,160	21.1%
Total liabilities	<u>36,567</u>	<u>40,473</u>	10.7%
Net assets			
Invested in capital assets, net of related debt	69,672	62,525	-10.3%
Restricted	7,419	8,258	11.3%
Unrestricted (deficit)	(301)	743	-346.8%
Total net assets	<u><u>\$ 76,790</u></u>	<u><u>\$ 71,526</u></u>	-6.9%

Net unrestricted assets of our governmental activities increased by \$1.0 million. Economic development expenses were \$3.2 million less than prior year due to \$3.0 in special source bond proceeds disbursed in the prior year to fund an economic development project. Capital assets of \$6 million were acquired while depreciation expense on new and existing capital assets totaled \$5.2 million.

Changes in net assets. The County's total revenues decreased by 1.9 percent to \$35.8 million. (See Table A-2) Approximately 49 percent of the County's total revenue comes from property taxes, 21 percent comes from fees charged for services, fines and fees and 28 percent is from state and federal aid.

The total cost of all programs and services decreased approximately \$1.2 million or 2.9 percent. The County's expenses cover a range of services, with about 40 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 1.9 percent, while total expenses decreased 2.9 percent.

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

	Governmental Activities		Total Percentage Change
	2011	2012	
Revenues			
Program Revenues			
Charges for services	\$ 7,167	\$ 7,614	6.2%
Operating grants and contributions	2,122	1,793	-15.5%
Capital grants and contributions	3,429	2,034	-40.7%
General Revenues			
Property taxes	16,798	17,727	5.5%
Other taxes	13	85	553.8%
Intergovernmental	6,811	6,340	-6.9%
Other	187	256	36.9%
Total revenues	36,527	35,849	-1.9%
Expenses			
General government	13,215	13,920	5.3%
Public safety	15,165	16,500	8.8%
Public works	6,780	6,810	0.4%
Health and welfare	209	267	27.8%
Culture and recreation	780	776	-0.5%
Intergovernmental	423	381	-9.9%
Economic development	5,358	2,204	-58.9%
Interest and fiscal charges	402	255	-36.6%
Total expenses	42,332	41,113	-2.9%
Decrease in net assets	\$ (5,805)	\$ (5,264)	-9.3%

Total revenues were \$678 thousand less than the prior year. During the current year, charges for services increased by \$447 thousand and property taxes increased by \$929 thousand, offset by a decrease in intergovernmental revenues and grants of \$2.2 million as compared to the prior year. Current year expenses were \$1.2 million less than the prior year.

Economic development expenses were \$3.2 million less than prior year due to \$3.0 million in special source bond proceeds disbursed in fiscal year 2011 to fund an economic development project. Public safety expenses increased by \$1.3 million, driven primarily by acquisition of fire trucks and equipment.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$13.8 million which is less than the prior year by \$6.1 million. This decrease was driven by expenditure of prior year capital lease proceeds of \$3.2 million, expenditures related to the detention center capital project of \$2.5 million using prior year bond proceeds, and an increase in rural fire expenditures related to debt service and capital expenditures.

General Fund Budgetary Highlights

Actual general fund expenditures were \$631 thousand more than budget amounts, primarily resulting from capital expenditures and fringe benefits exceeding budget.

The resources available for appropriation were \$893 thousand greater than the budgeted amount. This is primarily related to a positive variance in property taxes collected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the County had invested \$76.4 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 \$6.0 million. However, after depreciation capital assets increased \$688 thousand or 0.9 percent, over last year.

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

	Governmental Activities		Total Percentage Change
	2011	2012	
Land	\$ 870	\$ 870	0.0%
Construction in progress	3,866	6,280	62.4%
Buildings and improvements	19,100	19,101	0.0%
Furniture, fixtures and equipment	11,718	15,832	35.1%
Infrastructure	111,698	110,922	-0.7%
Accumulated depreciation	(71,516)	(76,581)	7.1%
Total net assets	<u>\$ 75,736</u>	<u>\$ 76,424</u>	0.9%

This year's major capital asset additions included:

- \$1.8 million in new construction in progress.
- \$4.0 million 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 \$14.8 million in bonds and capital lease obligations outstanding, a decrease of 6.2 percent over last year as shown in Table A-4. More detailed information about the County's long-term debt is presented in Note 10 to the financial statements.

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

	Governmental Activities		Total Percentage Change
	2011	2012	
General obligation bonds	\$ 7,134	\$ 7,237	1.4%
Special source revenue bonds	3,969	3,721	-6.2%
Capital lease obligations	4,654	3,820	-17.9%
Total	\$ 15,757	\$ 14,778	-6.2%

This year's major outstanding debt changes included:

- \$1.7 million in bond, note and capital lease repayments.
- Issuance of \$771 thousand in general obligation bonds during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Unemployment at June 30, 2012 stood at 9.9 percent versus 11.6 percent a year ago. This compares unfavorably with both the state's rate of 9.4 percent and the national rate of 8.2 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2013. The general "operating" fund budget for 2013 is \$23,849,467.

Capital expenditures approved in the fiscal year 2013 capital budget were approximately \$881,000. The County has added no major new programs or initiatives to the 2013 budget.

With the approval of the 2013 budget the County should continue to move in a positive direction. The 2013 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, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 27,958,506
Cash and cash equivalents, restricted	1,539,761
Investments	1,934,033
Receivables:	
Taxes - Net	921,722
Other	1,252,327
Due from other governments	1,969,008
Capital assets:	
Land	870,315
Construction in progress	6,279,639
Buildings and improvements	19,100,400
Vehicles and equipment	15,832,314
Infrastructure assets	110,922,107
Less accumulated depreciation	(76,581,139)
Total capital assets, net of depreciation	76,423,636
Total assets	111,998,993
LIABILITIES	
Accounts payable	1,232,386
Due to other governmental units	19,238,372
Accrued wages and benefits	500,902
Accrued interest payable	188,275
Long-term liabilities:	
Net other post employment benefit obligation	3,997,248
Due within one year	2,367,861
Due in more than one year	12,948,454
Total liabilities	40,473,498
NET ASSETS	
Invested in capital assets net of related debt	62,524,549
Restricted for:	
Capital activity, debt service and contingency	8,258,096
Unrestricted	742,850
Total net assets	\$ 71,525,495

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

LAURENS COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Rural Fire	Detention Center Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 27,018,199	\$ -	\$ 308,154	\$ 632,153	\$ 27,958,506
Cash and cash equivalents, restricted	1,539,761	-	-	-	1,539,761
Investments	1,934,033	-	-	-	1,934,033
Property taxes receivable - Net	703,308	137,313	-	81,101	921,722
Accounts receivable	1,248,863	2,001	-	1,463	1,252,327
Due from other governments	1,960,208	-	-	8,800	1,969,008
Due from other funds	-	56,364	-	1,696,849	1,753,213
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,404,372</u>	<u>\$ 195,678</u>	<u>\$ 308,154</u>	<u>\$ 2,420,366</u>	<u>\$ 37,328,570</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,069,379	\$ 145,890	\$ -	\$ 17,117	\$ 1,232,386
Deferred revenue	619,033	123,879	-	72,596	815,508
Accrued wages and benefits	500,902	-	-	-	500,902
Due to other funds	1,750,928	-	2,285	-	1,753,213
Due to other local governments	19,238,372	-	-	-	19,238,372
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>23,178,614</u>	<u>269,769</u>	<u>2,285</u>	<u>89,713</u>	<u>23,540,381</u>
FUND BALANCES					
Restricted	6,500,260	-	305,869	2,330,653	9,136,782
Assigned	537,854	-	-	-	537,854
Unassigned (deficit)	4,187,644	(74,091)	-	-	4,113,553
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>11,225,758</u>	<u>(74,091)</u>	<u>305,869</u>	<u>2,330,653</u>	<u>13,788,189</u>
	<u>\$ 34,404,372</u>	<u>\$ 195,678</u>	<u>\$ 308,154</u>	<u>\$ 2,420,366</u>	<u>\$ 37,328,570</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, 2012

Total fund balances - Governmental funds \$ 13,788,189

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	6,279,639
Buildings and improvements	19,100,400
Vehicles and equipment	15,832,314
Infrastructure	110,922,107
Accumulated depreciation	<u>(76,581,139)</u>
Total capital assets	<u>76,423,636</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	<u>815,508</u>
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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 debt	(7,237,255)
Special source revenue bond	(3,721,000)
Capital leases payable	(3,819,518)
Compensated absences	(538,542)
Other post employment benefits	(3,997,248)
Accrued interest payable	<u>(188,275)</u>
Total long-term liabilities	<u>(19,501,838)</u>

Net assets of governmental activities	<u><u>\$ 71,525,495</u></u>
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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, 2012

	General	Rural Fire	Detention Center Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 13,723,634	\$ 2,210,951	\$ -	\$ 1,469,048	\$ 17,403,633
Licenses and permits	458,965	118,971	-	-	577,936
Intergovernmental revenue	9,811,629	-	-	439,909	10,251,538
Charges for services	7,036,226	-	-	-	7,036,226
Interest and investment income	44,912	-	2,096	2,384	49,392
Miscellaneous revenue	91,615	-	-	139,011	230,626
Total revenues	<u>31,166,981</u>	<u>2,329,922</u>	<u>2,096</u>	<u>2,050,352</u>	<u>35,549,351</u>
EXPENDITURES					
General government	12,655,462	-	-	-	12,655,462
Public safety	11,819,974	1,965,936	2,464,262	4,039,008	20,289,180
Public works	3,866,989	-	-	-	3,866,989
Health and welfare	232,874	-	-	-	232,874
Culture and recreation	739,753	-	-	-	739,753
Intergovernmental	381,220	-	-	-	381,220
Economic development	1,858,441	-	-	345,300	2,203,741
Debt service:					
Principal retirement	307,452	526,666	-	915,629	1,749,747
Interest and fiscal charges	37,616	72,041	-	167,283	276,940
Total expenditures	<u>31,899,781</u>	<u>2,564,643</u>	<u>2,464,262</u>	<u>5,467,220</u>	<u>42,395,906</u>
Excess of revenues over (under) expenditures	<u>(732,800)</u>	<u>(234,721)</u>	<u>(2,462,166)</u>	<u>(3,416,868)</u>	<u>(6,846,555)</u>
Other financing sources (uses):					
Issuance of general obligation bond	770,842	-	-	-	770,842
Transfers in	-	-	-	3,391,037	3,391,037
Transfers out	<u>(3,191,742)</u>	<u>(199,295)</u>	<u>-</u>	<u>-</u>	<u>(3,391,037)</u>
Total other financing sources (uses)	<u>(2,420,900)</u>	<u>(199,295)</u>	<u>-</u>	<u>3,391,037</u>	<u>770,842</u>
Net change in fund balances	(3,153,700)	(434,016)	(2,462,166)	(25,831)	(6,075,713)
Fund balances, beginning of year	<u>14,379,458</u>	<u>359,925</u>	<u>2,768,035</u>	<u>2,356,484</u>	<u>19,863,902</u>
Fund balances, end of year	<u>\$ 11,225,758</u>	<u>\$ (74,091)</u>	<u>\$ 305,869</u>	<u>\$ 2,330,653</u>	<u>\$ 13,788,189</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, 2012

Net change in fund balances - Total government funds	\$ (6,075,713)
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	5,950,312
Depreciation expense	<u>(5,238,716)</u>
Excess of capital outlay over depreciation expense	<u>711,596</u>
Loss on disposal of capital assets is not recognized in governmental funds.	<u>(23,904)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues increased by this amount this year.	<u>323,495</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:	
General obligation bond proceeds	<u>(770,842)</u>
	<u>(770,842)</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	667,629
Special source principal retirement	248,000
Capital lease payments	<u>834,118</u>
Total long-term debt repayment	<u>1,749,747</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	(1,264,702)
Compensated absences	<u>64,001</u>
	<u>(1,200,701)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	<u>21,901</u>
Change in net assets of government activities	<u><u>\$ (5,264,421)</u></u>

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

**LAURENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012**

ASSETS		
Due from other funds		\$ 19,238,372
Property taxes receivable		<u>2,091,181</u>
Total assets		<u><u>\$ 21,329,553</u></u>
 LIABILITIES		
Due to other taxing districts and agencies		<u>21,329,553</u>
Total liabilities		<u><u>\$ 21,329,553</u></u>

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

LAURENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Laurens County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to the primary government. However, the component unit has 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 all 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 unit, 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 the individual component unit may be obtained from its administrative offices.

Laurens Public Library
1017 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.

(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.

The *Detention Center Capital Project Fund* accounts for bond proceeds that are restricted for capital outlay related to construction of a detention center.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fiduciary funds are reported using the economic resources measurement focus.

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 (maximum 5 days)
2-8	1 day per month (maximum 10 days)
9 or more	1.5 days per month (maximum 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 thirty days for employees. Upon leaving the County's employment, the maximum payout of accrued annual leave shall not exceed thirty days.

Net assets/Fund balances

Net assets represent the difference between assets and liabilities. Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by enabling legislation.

The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision making authority. Assigned fund balances is a limitation imposed by a designee of the County. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

The County Council is the County's highest level of decision making. The County Council can establish, modify or rescind a fund balance commitments through adoption of a resolution or ordinance.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the County considers the expenditures to be used in this respective order.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

Deferred revenue

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

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

Interfund transactions

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

All other interfund transfers are reported as transfers.

Use of estimates

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

NOTE 2 - BUDGETARY ACCOUNTING AND REPORTING

Budgetary policies

On or before March 1 of each year, all agencies of the County submit requests for appropriation to the County 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.

(Continued)

NOTE 2 - BUDGETARY ACCOUNTING AND REPORTING, Continued

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. 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.

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, 2012, the carrying amount of the County deposits was \$11,129,250 and the bank balance was \$11,243,831. 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, 2012 was \$3,935.

Investments

As of June 30, 2012, the County had the following investments:

Investment Type	Fair Value	Investment maturities (in years)				No maturity
		Less than 1	1-5	6-10	11-15	
U S Government Agency Obligations	\$ 1,002,730	\$ -	\$ -	\$ -	\$ 1,002,730	\$ -
Government security mutual fund	931,303	-	-	-	-	931,303
Total investments	1,934,033	-	-	-	1,002,730	931,303
South Carolina local government investment pool	18,365,082	-	-	-	-	18,365,082
	<u>\$ 20,299,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,002,730</u>	<u>\$ 19,296,385</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, 2012, 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.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

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 National Mortgage Association obligations which were all rated AAA by Moody's Investors Services and AA+ by Standard & Poor's.

Concentration of credit risk

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

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

Reported value of deposits	\$ 11,129,250
Fair value of investments	20,299,115
Cash on hand	<u>3,935</u>
	<u>\$ 31,432,300</u>
Cash and cash equivalents – Exhibit 3	\$ 27,958,506
Cash and cash equivalents, restricted – Exhibit 3	1,539,761
Investments – Exhibit 3	<u>1,934,033</u>
	<u>\$ 31,432,300</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.

(Continued)

NOTE 4 - PROPERTY TAXES, Continued

Also, the County collects taxes for surrounding municipalities. The amount collected but not remitted at June 30, 2012, was \$44,348 for surrounding municipalities. These amounts are recorded in general fund accounts payable at June 30, 2012.

Property tax receivables and allowances by major, other governmental and agency funds as of June 30, 2012 were as follows:

	<u>General</u>	<u>Rural fire</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>	<u>Agency</u>
Property taxes receivable	\$ 717,661	\$ 140,115	\$ 82,756	\$ 940,532	\$ 2,133,858
Less: Allowance	<u>14,353</u>	<u>2,802</u>	<u>1,655</u>	<u>18,810</u>	<u>42,677</u>
Net taxes receivable	<u>\$ 703,308</u>	<u>\$ 137,313</u>	<u>\$ 81,101</u>	<u>\$ 921,722</u>	<u>\$ 2,091,181</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, 2012 was as follows:

	<u>Balance June 30, 2011</u>	<u>Increases</u>	<u>Decreases / Transfers</u>	<u>Balance June 30, 2012</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 870,315	\$ -	\$ -	\$ 870,315
Construction in progress	<u>3,865,640</u>	<u>1,806,061</u>	<u>607,938</u>	<u>6,279,639</u>
Total capital assets at historical cost not being depreciated	<u>4,735,955</u>	<u>1,806,061</u>	<u>607,938</u>	<u>7,149,954</u>
Capital assets being depreciated				
Buildings	19,100,400	-	-	19,100,400
Vehicles and equipment	11,717,924	4,026,811	87,579	15,832,314
Infrastructure	<u>111,697,636</u>	<u>117,440</u>	<u>(892,969)</u>	<u>110,922,107</u>
Total capital assets at historical cost being depreciated	<u>142,515,960</u>	<u>4,144,251</u>	<u>(805,390)</u>	<u>145,854,821</u>
Less accumulated depreciation for:				
Buildings	(6,310,259)	(384,292)	-	(6,694,551)
Vehicles and equipment	(7,947,188)	(1,344,116)	6,758	(9,284,546)
Infrastructure	<u>(57,258,524)</u>	<u>(3,510,308)</u>	<u>166,790</u>	<u>(60,602,042)</u>
Total accumulated depreciation	<u>(71,515,971)</u>	<u>(5,238,716)</u>	<u>173,548</u>	<u>(76,581,139)</u>
Total capital assets being depreciated, net	<u>70,999,989</u>	<u>(1,094,465)</u>	<u>(631,842)</u>	<u>69,273,682</u>
Governmental activities capital assets, net	<u>\$ 75,735,944</u>	<u>\$ 711,596</u>	<u>\$ (23,904)</u>	<u>\$ 76,423,636</u>

Depreciation expense was charged to the following function:

General Government	\$ 254,105
Public Safety	1,377,364
Public Works	3,536,231
Health and Welfare	35,042
Culture and Recreation	<u>35,974</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,238,716</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. 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, 2012, 2011 and 2010, salaries of \$12,089,352, \$11,301,323 and \$11,198,407 were paid by the County, respectively. Of that amount, \$4,936,465, \$4,397,684 and \$4,330,227, respectively, were covered under the PORS and \$7,152,888, \$6,903,639 and \$6,868,180, respectively, were covered under the SCRS.

South Carolina Retirement System Plan members are required to contribute 6.50% of their annual covered salary for the years ended June 30, 2012, June 30, 2011 and June 30, 2010. During the fiscal years ended June 30, 2012, 2011 and 2010, the County contributed at an actuarially determined rate of 9.385%, 9.24% and 9.24% of annual payroll, respectively. In addition, the County contributes .15% of payroll to provide group life insurance benefits. Police Officers Retirement System - Participating employees contribute 6.5% of their annual covered payroll. . During the fiscal years ended June 30, 2012, 2011 and 2010, the County contributes at an actuarially determined rate of 11.363%, 11.13%, and 10.65% of annual payroll plus an additional .4% of payroll to provide group life insurance and accidental death.

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

	<u>Employee Amount</u>	<u>Contributions % of Wages</u>	<u>Employer Amount</u>	<u>Contributions % of Wages</u>	<u>Total</u>
SCRS					
June 30, 2012	\$ 464,938	6.50%	\$ 671,299	9.385%	\$ 1,136,237
June 30, 2011	\$ 449,020	6.50%	\$ 648,671	9.24%	\$ 1,097,691
June 30, 2010	\$ 444,847	6.50%	\$ 634,620	9.24%	\$ 1,079,467
PORS					
June 30, 2012	\$ 320,870	6.50%	\$ 560,930	11.363%	\$ 881,800
June 30, 2011	\$ 285,557	6.50%	\$ 507,407	11.13%	\$ 792,964
June 30, 2010	\$ 281,465	6.50%	\$ 461,169	10.65%	\$ 742,634

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 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 employees, permit 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 Great West Retirement Services, 8515 East Orchard Road, Greenwood Village, CO 80111 (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 10 or more years of service, regardless of age, may elect to remain in the county health insurance group. Also, employees retiring with 15 years or more of service can remain in the county health insurance group at no charge to retiree. Individual coverage premiums and any 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 at the time of retirement. 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 an 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). The latest actuarial report was performed for the plan for the fiscal years beginning July 1, 2010. The County's annual OPEB costs and the net OPEB obligation for June 30, 2012 was as follows:

Employer normal costs	\$	933,894
Amortization of UAL*		503,878
Annual required contribution (ARC)		1,437,772
Adjustment to ARC		113,900
Interest on net obligation		9,065
Annual OPEB costs		1,560,737
Contributions made		296,035
Increase in net OPEB liability		1,264,702
Net OPEB obligation - beginning of year		2,732,546
Net OPEB obligation - end of year	\$	3,997,248

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

(Continued)

NOTE 8 - POST-EMPLOYMENT HEALTH CARE BENEFITS, Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

<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	11.66%	1,417,785
2011	1,490,942	11.82%	2,732,546
2012	1,560,737	18.97%	3,997,248

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2012, was as follows:

	<u>Governmental General</u>
Actuarial accrued liability	\$ 12,085,724
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$ 12,085,724
Funded Ratio	0.00%
Covered payroll	\$ 12,089,352
Unfunded actuarial accrued liability as a percentage of covered payroll	99.97%

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.

Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce short term volatility in actuarial liabilities and the actuarial value of assets. In the June 30, 2010 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 7.25% health care trend inflation rate for 2011 and, starting in 2014, decreases 0.25% each year until 2024; and thereafter 4.5% was assumed. Drug cost trend inflation is assumed to be 8.0% for 2011, decreasing to 7.75% for 2012 and 2013, 7.25 for 2014, then, decreasing annually by 0.25% until 2024, thereafter assumed to be 4.5% per year. Dental cost trend inflation was assumed to be 3% annually.

NOTE 9 - LEASES

The County has entered into lease agreements as lessee for financing the acquisition of computer, communication and other 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, 2012:

Machinery and equipment	\$ 4,005,592
Less: Accumulated depreciation	456,431
	<u><u>\$ 3,549,161</u></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, 2012, remaining funds under the lease agreement totaled \$289,636. Unspent funds are held in a special account by the bank, in the name of the County, until such time as equipment is purchased.

On June 29, 2011, the County entered into a separate capital lease agreement in the amount of \$3,200,000 with a bank, providing funding to acquire equipment. The capital lease agreement consists of repayment terms of 9 years, interest rate of 2.41%, and annual payments, including interest, of \$399,759. At June 30, 2012, remaining funds of \$10,668 are held in a special account by the bank, in the name of the County, until such time as equipment is purchased.

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, 2012:

<u>Fiscal year ending June 30,</u>	<u>Capital lease payments</u>
2013	\$ 744,825
2014	610,107
2015	554,183
2016	554,184
2017	554,184
2018-2021	<u>1,199,279</u>
Total minimum lease payments	4,216,762
Less: Amount representing interest	<u>397,244</u>
Present value of future minimum lease payments	<u><u>\$ 3,819,518</u></u>

NOTE 10 - LONG-TERM DEBT

General obligation and special source bonds payable

General obligation bonds are payable from the debt service funds. Bonds and notes payable at June 30, 2012 are comprised of the following individual issues:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due within</u> <u>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%.	\$ 700,000	\$ -	\$ 325,000	\$ 375,000	\$ 375,000
\$770,842, 2011 General Obligation Bonds, due in annual installments of \$256,497 to \$259,643 through March 1, 2014, interest at 1.94%	-	770,842	256,497	514,345	254,702
\$117,431, 2007 General Obligation Bonds, due in annual installments of \$14,159 through April 1, 2017, interest at 4.09%	74,042	-	11,132	62,910	11,587
\$6,400,000, 2010 General Obligation Bonds, due in annual installments of \$40,000 to \$685,000 through March 1, 2025, interest at 3.2588%.	<u>6,360,000</u>	<u>-</u>	<u>75,000</u>	<u>6,285,000</u>	<u>90,000</u>
Total general obligation bonds	<u>7,134,042</u>	<u>770,842</u>	<u>667,629</u>	<u>7,237,255</u>	<u>731,289</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%	994,000	-	248,000	746,000	241,000
\$2,975,000, 2010 Special Source Bond, due in variable annual installments based upon fee in lieu of taxes collections from the project, bearing interest at 4.85%	<u>2,975,000</u>	<u>-</u>	<u>-</u>	<u>2,975,000</u>	<u>348,872</u>
Total special source revenue bonds	<u>3,969,000</u>	<u>-</u>	<u>248,000</u>	<u>3,721,000</u>	<u>589,872</u>
	<u>\$ 11,103,042</u>	<u>\$ 770,842</u>	<u>\$ 915,629</u>	<u>\$ 10,958,255</u>	<u>\$ 1,321,161</u>

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, 2011 taxable assessed property valuation net of exemptions of \$155,192,740 (unaudited), the legal debt limit is approximately \$12,415,000, leaving an available legal debt margin as of June 30, 2012 of approximately \$5,178,000.

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

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

(Continued)

NOTE 10 - LONG-TERM DEBT, Continued

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2012 for the County are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 731,289	\$ 225,118	\$ 956,407
2014	326,704	203,391	530,095
2015	462,555	196,486	659,041
2016	478,068	184,723	662,791
2017	498,639	172,562	671,201
2018-2022	2,770,000	625,831	3,395,831
2023-2025	1,970,000	146,374	2,116,374
	<u>\$ 7,237,255</u>	<u>\$ 1,754,485</u>	<u>\$ 8,991,740</u>

Available in the debt service fund is \$335,167 to service the general obligation bonds.

The annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2012 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 589,872	\$ 185,579	\$ 775,451
2014	2,565,321	158,417	2,723,738
2015	565,807	35,492	601,299
	<u>\$ 3,721,000</u>	<u>\$ 379,488</u>	<u>\$ 4,100,488</u>

Changes in long-term liabilities

A summary of changes in long-term debt follows:

	Estimated long term liability for annual leave	Lease obligations	Bonds		Total
			Special source	General obligation	
Payable at July 1, 2011	\$ 602,543	\$ 4,653,636	\$ 3,969,000	\$ 7,134,042	\$ 16,359,221
Amounts incurred	395,040	-	-	770,842	1,165,882
Amounts retired	(459,041)	(834,118)	(248,000)	(667,629)	(2,208,788)
Payable at June 30, 2012	<u>\$ 538,542</u>	<u>\$ 3,819,518</u>	<u>\$ 3,721,000</u>	<u>\$ 7,237,255</u>	<u>\$ 15,316,315</u>
Amounts due within one year	<u>\$ 400,000</u>	<u>\$ 646,700</u>	<u>\$ 589,872</u>	<u>\$ 731,289</u>	<u>\$ 2,367,861</u>

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLE BALANCES AND OPERATING TRANSFERS

The balances of interfund receivables and payables at June 30, 2012, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Rural Fire	General Fund	\$ 56,364
Nonmajor Governmental - Fire Coordinator	General Fund	790,734
Nonmajor Governmental - Fire Department Debt Service	General Fund	76,356
Nonmajor Governmental - Fire Capital Reserve	General Fund	499,849
Nonmajor Governmental - General Obligation Debt Service	General Fund	329,910
		<u>\$ 1,753,213</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30, 2012 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, 2012 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 3,191,742
Nonmajor Governmental Funds	Rural Fire	<u>199,295</u>
		<u>\$ 3,391,037</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 - NET ASSET AND FUND BALANCES

Net assets represent the difference between assets and liabilities. The restricted net asset amounts at June 30, 2012 were as follow:

Net capital assets	\$	76,423,636
Less:		
General obligation debt		(7,237,255)
Special source revenue bond		(3,721,000)
Capital leases payable		(3,819,518)
Add:		
Unspent bond proceeds		578,382
Unspent capital lease proceeds		300,304
		<u>62,524,549</u>
Restricted for capital activity, debt service and contingencies		9,136,782
Less:		(578,382)
Unspent bond proceeds		(300,304)
Unspent capital lease proceeds		<u>8,258,096</u>
Unrestricted		<u>742,850</u>
Total net assets	\$	<u>71,525,495</u>

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 in the following table as a contingency.

(Continued)

NOTE 12 - NET ASSET AND FUND BALANCES, Continued

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2012 are as follow:

	<u>General Fund</u>	<u>Rural Fire</u>	<u>Detention Center Capital Project</u>	<u>Nonmajor Governmental Revenue</u>	<u>Total</u>
Fund Balances:					
Restricted for:					
General fund - Capital outlay	\$ 1,501,835	\$ -	\$ -	\$ -	\$ 1,501,835
General fund - Contingency	4,998,425	-	-	-	4,998,425
Capital project - Capital outlay	-	-	305,869	-	305,869
Special revenue - Public safety	-	-	-	1,995,486	1,995,486
Debt service	-	-	-	335,167	335,167
Assigned	537,854	-	-	-	537,854
Unassigned	<u>4,187,644</u>	<u>(74,091)</u>	<u>-</u>	<u>-</u>	<u>4,113,553</u>
Total fund balances	<u>\$ 11,225,758</u>	<u>\$ (74,091)</u>	<u>\$ 305,869</u>	<u>\$ 2,330,653</u>	<u>\$ 13,788,189</u>

NOTE 13 - LITIGATION

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

NOTE 14 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2012 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 guarantees a \$3,170,000 bond obligation of the Water and Sewer Commission as of June 30, 2012. The County provides a subsidy of \$237,469 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 15 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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

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

NOTE 16 - 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, 2012, approximately \$38,000 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 17 - COMMITMENTS

Laurens County has entered into contracts for architectural and construction services related to the Detention Center capital project. At June 30, 2012, the balances remaining on those contracts totaled approximately \$340,000.

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
TAXES			
Property taxes and current penalties	\$ 12,503,310	\$ 13,250,958	\$ 747,648
Total Taxes	<u>12,503,310</u>	<u>13,250,958</u>	<u>747,648</u>
LICENSES AND PERMITS			
Utility franchise fee	150,000	163,124	13,124
Building permits	240,000	235,075	(4,925)
Mobile home licenses	62,500	57,326	(5,174)
Septic Tank Fee	1,000	940	(60)
Demolition payments	-	2,500	2,500
Total Licenses and Permits	<u>453,500</u>	<u>458,965</u>	<u>5,465</u>
INTERGOVERNMENTAL REVENUE			
National Forest fund	56,000	49,208	(6,792)
Accommodations tax	68,000	84,989	16,989
Department of Social Services	60,000	64,240	4,240
Environmental Control Penalty	14,000	-	(14,000)
Local government fund	2,154,466	2,048,051	(106,415)
Merchants inventory exempt	40,841	49,176	8,335
Motor Carrier	15,000	5,979	(9,021)
Local Option - 29% Operations	784,604	811,177	26,573
Registration Board	32,955	62,613	29,658
State salary supplement	47,000	46,576	(424)
Veterans Service Office	35,000	13,485	(21,515)
Dept. of Health and Environmental Control	15,000	7,109	(7,891)
Recorder of deeds	18,000	14,045	(3,955)
Child support	185,000	223,988	38,988
1% Received from Greenville	30,000	43,522	13,522
Laurens and Clinton PD for Comm	50,215	67,745	17,530
Laurens/Clinton PD - Vict. Ass't	30,000	24,651	(5,349)
Laurens/Clinton/Cross Hill Mag	23,000	12,081	(10,919)
Cooperative Capital Credit Distribution	5,065	5,484	419
Municipal Inmate housing	1,000	5,138	4,138
State drug revenue	25,000	30,300	5,300
BJA Grant	30,000	29,954	(46)
SCAAP grant	1,500	989	(511)
LEMPG grant	35,000	27,076	(7,924)
EMS Grant	20,000	13,920	(6,080)
Tire Fee Rebate	29,439	25,406	(4,033)
Solid Waste Grant	46,464	27,551	(18,913)
DOJ- Bullet Proof Vest Grant	19,000	-	(19,000)
Total Intergovernmental Revenue	<u>3,871,549</u>	<u>3,794,453</u>	<u>(77,096)</u>
CHARGES FOR SERVICES			
Collection of city taxes	25,000	24,649	(351)
Judge of Probate fees	80,000	131,721	51,721
Treasurer's costs	92,830	267,104	174,274
Treasurer's other income	2,580	1,992	(588)
Vehicle road fee	871,598	877,348	5,750
Decal Fees	20,000	93,579	73,579
Copier fees-Assessor	3,100	2,838	(262)
Copier fees-Auditor	200	-	(200)
Temporary tags-auditor	1,850	2,015	165
Cross Hill support/sheriff	35,000	-	(35,000)
Dare/Explorer Revenue	750	225	(525)
E-911 cell phone fees	45,000	107,240	62,240
E-911 telephone fees	230,000	224,023	(5,977)

Continued

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
CHARGES FOR SERVICES (Continued)			
E-911 CLEC Subscribers Fee	100,000	47,146	(52,854)
E-911 false alarm charges	50	-	(50)
Sex Offender registration fees	13,000	11,250	(1,750)
E-911 map sale revenue	100	100	-
E-911 road sign revenue	200	100	(100)
Coroner fees	100	-	(100)
Detention center commissary	10,000	19,269	9,269
Detention Center Phone Commission	25,000	32,886	7,886
Road and bridge fees	622	482	(140)
Vital statistics	-	8,168	8,168
Magistrate fines and fees	737,691	554,441	(183,250)
Worthless Check Program	4,121	3,403	(718)
Traffic Safety Program Fee	100	980	880
Clerk of Court fines and fees	420,000	591,107	171,107
Gray Court Supp/Sheriff	65,000	60,470	(4,530)
Hospital Deputities	77,933	60,886	(17,047)
School District 55 SRO Match	95,000	90,291	(4,709)
Sheriff fees	9,000	7,782	(1,218)
Emergency medical services fees	1,774,000	1,812,291	38,291
Clerk victim's assistance	29,454	62,945	33,491
Victim's Assistance for Adm. Overh Costs	50,000	-	(50,000)
Magistrate victim's assistance	79,625	51,932	(27,693)
Host fee	36,610	39,567	2,957
Landfill tipping fees	62,500	56,789	(5,711)
Residential landfill fees	1,807,976	1,781,156	(26,820)
Animal Control & shelter fees	14,976	10,051	(4,925)
Total Charges for Services	6,820,966	7,036,226	215,260
MISCELLANEOUS REVENUE			
Interest earned	43,500	44,912	1,412
Building rental	6,000	6,500	500
County park rental fee	600	-	(600)
Miscellaneous	50,000	83,515	33,515
Sale of capital assets	35,000	1,600	(33,400)
Total Miscellaneous Revenue	135,100	136,527	1,427
TOTAL BUDGETED REVENUES	\$ 23,784,425	24,677,129	\$ 892,704
NON-BUDGETED REVENUES			
Local options sales tax collected		2,275,252	
State funds for road maintenance "C Funds"		1,546,424	
Old Laurens Road improvement project		2,804	
Property taxes		294,835	
E911 State Reimbursement		136,398	
Municipal government elections		222	
Election commission grant reimbursement		2,918	
Federal drug revenue		368	
Clinton frontage road reimbursement		22,901	
American titanium reimbursement		10,432	
Economic development - ZF Project		1,327,579	
Economic development		400,000	
Scrap metal fees		2,800	
EMS Revenue - Off-Duty Coverage		8,275	
EMS Donations		175	
Property taxes for technical education		177,841	
Airport hangar and taxi lane grant		176,054	
Airport airfield pavement rehab		104,574	
TOTAL NON-BUDGETED REVENUES		6,489,852	
TOTAL REVENUES		\$ 31,166,981	

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT			
Administration	\$ 332,708	\$ 330,236	\$ 2,472
County Attorney	110,200	100,789	9,411
County Council	102,192	103,779	(1,587)
Judge of Probate	208,497	210,661	(2,164)
Registration	191,266	197,234	(5,968)
Capital Expenditures	341,191	924,217	(583,026)
Debt Service - Capital Leases	345,260	345,068	192
Human Resources	84,445	69,515	14,930
Finance Department	189,104	173,185	15,919
Risk Management	35,866	38,031	(2,165)
Purchasing/Vehicle Maintenance	63,590	67,340	(3,750)
Non-Departmental	3,771,515	4,372,837	(601,322)
Auditor	395,798	339,402	56,396
Treasurer	302,090	298,321	3,769
Miscellaneous	97,500	96,951	549
Tax Assessor	356,596	335,240	21,356
Clerk of Court	593,482	597,991	(4,509)
Buildings and Grounds Maintenance	700,482	740,471	(39,989)
Airport	78,643	51,980	26,663
Contingency	200,000	113,583	86,417
Magistrates	423,814	411,712	12,102
	<u>8,924,239</u>	<u>9,918,543</u>	<u>(994,304)</u>
PUBLIC SAFETY			
Coroner	142,487	143,180	(693)
E-911	513,976	448,051	65,925
Emergency Preparedness	60,646	48,324	12,322
Emergency Operations	847,149	828,776	18,373
Emergency Medical Services	3,100,804	2,986,636	114,168
Victims' Assistance	165,342	164,456	886
Sheriff	3,334,988	3,565,961	(230,973)
Detention Center	2,691,967	2,644,787	47,180
Road/Bridges	772,512	665,718	106,794
Inspection/Permits	346,816	324,085	22,731
	<u>11,976,687</u>	<u>11,819,974</u>	<u>156,713</u>
PUBLIC WORKS			
Public Works	134,592	136,245	(1,653)
Solid Waste Management	1,998,215	1,807,643	190,572
	<u>2,132,807</u>	<u>1,943,888</u>	<u>188,919</u>
HEALTH AND WELFARE			
Veterans Affairs	109,762	119,078	(9,316)
Health Department	10,617	10,764	(147)
Social Services	11,920	11,923	(3)
	<u>132,299</u>	<u>141,765</u>	<u>(9,466)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
CULTURE AND RECREATION			
Parks and Recreation	127,026	123,660	3,366
Library	634,263	616,093	18,170
	<u>761,289</u>	<u>739,753</u>	<u>21,536</u>
INTERGOVERNMENTAL AND PRIVATE NON-PROFIT			
Local Government Assistance	318,001	317,958	43
Special Appropriations	33,800	33,800	-
Clemson Extension	34,800	29,462	5,338
	<u>386,601</u>	<u>381,220</u>	<u>5,381</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 24,313,922</u>	<u>24,945,143</u>	<u>\$ (631,221)</u>
NON-BUDGETED EXPENDITURES			
Local Option Sales Tax distributed		2,584,753	
Economic development - ZF project		1,327,579	
State for road maintenance		1,379,081	
Clinton parking lot		500,614	
Old Laurens Road Improv Project		1,189	
T-hangar & Taxi Lane Project		186,150	
Technical education		181,350	
Clinton frontage road project		42,217	
Indigent Care		91,109	
Economic development - American Titanium Works		660	
Registration- grant expenditures		3,164	
Economic Development		400,000	
Economic Development		130,202	
Capital expenditure-building maintenance		28,865	
Miscellaneous		97,705	
Total non-budgeted expenditures		<u>6,954,638</u>	
TOTAL EXPENDITURES		<u>\$ 31,899,781</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, 2012

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 2,075,290	2,210,951	\$ 135,661
Intergovernmental	-	118,971	118,971
Total revenues	<u>2,075,290</u>	<u>2,329,922</u>	<u>254,632</u>
EXPENDITURES			
Salaries and wages	409,806	346,346	63,460
Overtime	12,000	26,142	(14,142)
Fringe benefits	143,000	233,032	(90,032)
Fire department education credit	-	12,772	(12,772)
Equipment repairs	16,000	15,877	123
Maintenance contract	1,200	1,161	39
Vehicle repairs	800	1,181	(381)
Telephone	5,500	4,925	575
Training	500	275	225
Building repairs	20,000	22,221	(2,221)
First responder supplies	250	198	52
Cleaning supplies	1,100	450	650
Office supplies	500	270	230
Postage	50	-	50
Uniforms	6,000	5,644	356
Vehicle supplies and maintenance	60,000	66,104	(6,104)
Fuel	90,000	99,090	(9,090)
Utilities	151,177	98,712	52,465
Books and publications	150	-	150
Office furniture	750	-	750
Insurance	100,000	167,399	(67,399)
Capital outlay	162,378	385,919	(223,541)
Debt service:			
Principal retirement	247,000	526,666	(279,666)
Interest	-	72,041	(72,041)
Fire contracts	482,201	485,828	(3,627)
Tax rebate to volunteers	5,000	7,999	(2,999)
Contingency	20,633	(15,609)	36,242
Total expenditures	<u>1,935,995</u>	<u>2,564,643</u>	<u>(628,648)</u>
Excess of revenues over expenditures	<u>139,295</u>	<u>(234,721)</u>	<u>(374,016)</u>
OTHER FINANCING USES			
Transfers out	(199,295)	(199,295)	-
Total other financing uses	<u>(199,295)</u>	<u>(199,295)</u>	<u>-</u>
Net change in fund balance	(60,000)	(434,016)	(374,016)
FUND BALANCES, BEGINNING OF YEAR	<u>359,925</u>	<u>359,925</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 299,925</u>	<u>\$ (74,091)</u>	<u>\$ (374,016)</u>

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

Exhibit A-4

The County's annual required contribution (ARC), the annual contribution to the plan, and the percent funded for fiscal years are as follow:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percent Funded
2009	\$ 807,768	\$ 130,496	16.16%
2010	807,768	97,732	12.10%
2011	1,437,772	176,181	12.25%
2012	1,437,772	296,035	20.59%

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	2009	-	\$ 8,454,834	\$ 8,454,834	0.00%	\$ 10,892,737	77.62%
6/30/2008	2010	-	8,454,834	8,454,834	0.00%	11,198,407	75.50%
6/30/2011	2011	-	12,085,724	12,085,724	0.00%	11,301,323	106.94%
6/30/2011	2012	-	12,085,724	12,085,724	0.00%	12,089,352	99.97%

LAURENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 632,153	\$ -	\$ 632,153
Property taxes receivable - net	32,585	48,516	81,101
Accounts receivable	1,463	-	1,463
Due from other funds	1,366,939	329,910	1,696,849
Due from other governments	<u>8,800</u>	<u>-</u>	<u>8,800</u>
Total assets	<u>\$ 2,041,940</u>	<u>\$ 378,426</u>	<u>\$ 2,420,366</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 17,117	\$ -	\$ 17,117
Deferred revenue	<u>29,337</u>	<u>43,259</u>	<u>72,596</u>
Total liabilities	<u>46,454</u>	<u>43,259</u>	<u>89,713</u>
FUND BALANCES			
Restricted	<u>1,995,486</u>	<u>335,167</u>	<u>2,330,653</u>
Total fund balances	<u>1,995,486</u>	<u>335,167</u>	<u>2,330,653</u>
Total liabilities and fund balances	<u>\$ 2,041,940</u>	<u>\$ 378,426</u>	<u>\$ 2,420,366</u>

LAURENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ 535,204	\$ 633,796	\$ 1,169,000
Intergovernmental	439,909	-	439,909
Fee in lieu of taxes	-	300,048	300,048
Interest	118	2,266	2,384
Miscellaneous	139,011	-	139,011
Total revenues	<u>1,114,242</u>	<u>936,110</u>	<u>2,050,352</u>
EXPENDITURES			
Public safety	4,039,008	-	4,039,008
Economic development	345,300	-	345,300
Debt service:			
Principal retirement	-	915,629	915,629
Interest and fiscal charges	-	167,283	167,283
Total expenditures	<u>4,384,308</u>	<u>1,082,912</u>	<u>5,467,220</u>
Excess of revenues over expenditures	<u>(3,270,066)</u>	<u>(146,802)</u>	<u>(3,416,868)</u>
Other financing sources (uses):			
Transfers in	3,391,037	-	3,391,037
Total other financing sources (uses)	<u>3,391,037</u>	<u>-</u>	<u>3,391,037</u>
Net change in fund balances	<u>120,971</u>	<u>(146,802)</u>	<u>(25,831)</u>
Fund balances, beginning of the year	<u>1,874,515</u>	<u>481,969</u>	<u>2,356,484</u>
Fund balances, end of the year	<u>\$ 1,995,486</u>	<u>\$ 335,167</u>	<u>\$ 2,330,653</u>

**LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$ 27,018,199
Cash and cash equivalents, restricted	1,539,761
Investments	1,934,033
Property taxes receivable - net	703,308
Accounts receivable	1,248,863
Due from other governments	<u>1,960,208</u>
Total assets	<u><u>\$ 34,404,372</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	\$ 1,069,379
Deferred revenue	619,033
Accrued wages and benefits	500,902
Due to other funds	1,750,928
Due to other local governments	<u>19,238,372</u>
Total liabilities	<u>23,178,614</u>

Fund balance	
Restricted	
Capital outlay	1,501,835
Contingency	4,998,425
Assigned	537,854
Unassigned	<u>4,187,644</u>
Total fund balance	<u>11,225,758</u>

Total liabilities and fund balances	<u><u>\$ 34,404,372</u></u>
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LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the year ended June 30, 2012

REVENUES	\$ 31,166,981
EXPENDITURES	<u>31,899,781</u>
Deficit of revenues over expenditures	<u>(732,800)</u>
Other financing sources	
Issuance of general obligation bond	770,842
Transfer out	<u>(3,191,742)</u>
Total other financing sources	<u>(2,420,900)</u>
Net change in fund balance	(3,153,700)
FUND BALANCE, BEGINNING OF YEAR	<u>14,379,458</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 11,225,758</u></u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT			
Administration			
Salaries and wages	\$ 149,998	151,748	\$ (1,750)
Audit services	75,000	99,550	(24,550)
Legal services	15,000	4,161	10,839
Computer maintenance	60,000	42,230	17,770
Vehicle maintenance	500	186	314
Telephone maintenance	200	-	200
Telephone system lease	3,900	3,730	170
Cell phone	1,200	1,364	(164)
Telephone	6,000	6,316	(316)
Advertising notices	3,600	4,266	(666)
Memberships/dues	350	155	195
Travel/meetings	4,000	6,881	(2,881)
Computer supplies	1,500	917	583
Office supplies	3,200	3,253	(53)
Postage	1,200	701	499
Vehicle supplies	500	461	39
Vehicle fuel	1,560	1,567	(7)
Publish ordinances	5,000	2,750	2,250
Total Administration	<u>332,708</u>	<u>330,236</u>	<u>2,472</u>
County Attorney			
Salaries and wages	86,400	87,170	(770)
Professional services	12,500	2,587	9,913
Copier lease	1,500	3,146	(1,646)
Telephone	1,500	1,867	(367)
Memberships/dues	500	480	20
Travel/meeting	3,000	2,342	658
Office supplies	2,000	885	1,115
Postage	300	50	250
Professional insurance	2,500	2,262	238
Total County Attorney	<u>110,200</u>	<u>100,789</u>	<u>9,411</u>
County Council			
Salaries and wages	69,557	69,971	(414)
Cell Phone reimbursement	2,520	2,533	(13)
Cell phones/pagers	315	679	(364)
Travel/meetings	13,000	13,703	(703)
Travel Allotments	16,800	16,893	(93)
Total County Council	<u>102,192</u>	<u>103,779</u>	<u>(1,587)</u>
Judge of Probate			
Salaries and wages	178,477	191,659	(13,182)
Travel Allotment	2,400	2,413	(13)
Court reporter fees	750	75	675
Transports/mental exams	250	-	250
Computer maintenance	4,500	-	4,500
Equipment maintenance	1,000	736	264
Copier Lease	4,800	2,415	2,385
Telephone	3,800	3,748	52
Memberships/dues	470	200	270
Travel/meetings	2,500	1,336	1,164
Office supplies	5,000	5,300	(300)
Postage and postage meter	3,800	2,779	1,021
Court fees/jury trials	750	-	750
Total Judge of Probate	<u>208,497</u>	<u>210,661</u>	<u>(2,164)</u>

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT (Continued)			
Registration			
Salaries	91,679	85,159	6,520
Travel Allotment	2,500	2,112	388
Equipment maintenance	20,800	25,171	(4,371)
Copier Lease	4,900	3,888	1,012
Telephone System Lease	900	1,186	(286)
Telephone and cell phones	8,700	6,804	1,896
Travel/meetings	8,000	9,238	(1,238)
Election supplies	22,000	3,767	18,233
Office supplies	7,300	5,149	2,151
Postage	4,487	3,414	1,073
Ballots, poll workers, legal ads	20,000	51,346	(31,346)
Total Registration	<u>191,266</u>	<u>197,234</u>	<u>(5,968)</u>
Capital Expenditures			
Equipment	107,632	693,979	(586,347)
Telecommunications equipment	65,400	30,174	35,226
Computer equipment	18,159	17,184	975
Vehicles	150,000	182,880	(32,880)
Total Capital Expenditures	<u>341,191</u>	<u>924,217</u>	<u>(583,026)</u>
Debt Service - Capital Leases			
Auto lease/purchase	307,622	307,452	170
Capital leases interest expense	37,638	37,616	22
Total Debt Service - Capital Leases	<u>345,260</u>	<u>345,068</u>	<u>192</u>
Human Resources			
Salaries	71,845	59,077	12,768
Telephone	1,370	910	460
Advertising notices	6,000	4,110	1,890
Memberships/dues	335	-	335
Travel/meetings	3,000	1,337	1,663
Office supplies	1,100	3,288	(2,188)
Postage	375	428	(53)
Cell Phone reimbursement	420	365	55
Total Human Resources	<u>84,445</u>	<u>69,515</u>	<u>14,930</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT (Continued)			
Finance Department			
Salaries and wages	141,384	132,393	8,991
Maintenance contract	32,000	26,835	5,165
Telephone	2,000	1,863	137
Membership/dues	500	90	410
Travel/meetings	3,300	2,246	1,054
Office supplies	5,500	4,238	1,262
Postage	4,000	5,098	(1,098)
Cell Phone Reimbursement	420	422	(2)
Total Finance Department	189,104	173,185	15,919
Risk Management			
Salaries and wages	30,421	33,049	(2,628)
Travel Allotment	1,200	1,206	(6)
Cell Phones	420	422	(2)
Telephone	725	794	(69)
Travel/meetings	500	130	370
Computer Supplies	-	917	(917)
Office supplies	1,000	1,429	(429)
Postage	100	34	66
Safety Reward Program	1,500	50	1,450
Total Risk Management	35,866	38,031	(2,165)
Purchasing/Vehicle Maintenance			
Salaries and wages	44,790	45,173	(383)
Vehicle maintenance	1,900	2,233	(333)
Copying machine lease	10,000	14,326	(4,326)
Cell phone	875	593	282
Telephone	1,000	1,013	(13)
Advertising notices	800	-	800
Travel/meetings	650	203	447
Computer supplies	200	489	(289)
Office supplies	300	155	145
Postage	75	17	58
Vehicle supplies	500	398	102
Vehicle Fuel	2,500	2,740	(240)
Total Purchasing/Vehicle Maintenance	63,590	67,340	(3,750)
Non-Departmental (Insurance & Benefits)			
Fringe benefits			
Health insurance-employer share	1,407,192	1,680,347	(273,155)
Retirees health insurance-employer share	139,769	296,035	(156,266)
FICA-employer share	671,057	644,642	26,415
Retirement-employer share	836,509	1,017,792	(181,283)
Unemployment compensation	28,000	38,119	(10,119)
Workers compensation	291,342	346,519	(55,177)
Tort liability	275,014	226,796	48,218
Vehicle insurance	119,932	82,730	37,202
Computer training - staff	2,500	12,830	(10,330)
Audit/bank charges	200	27,027	(26,827)
Total Non-Departmental (Ins. & Benefits)	3,771,515	4,372,837	(601,322)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT (Continued)			
Auditor			
Salaries and wages	130,548	134,509	(3,961)
Travel allotments	1,200	1,206	(6)
Advanced Drug Testing	100	75	25
Equipment maintenance	950	215	735
Smith data contracts	250,000	189,324	60,676
Copier lease/rental	5,000	2,548	2,452
Cell phone	500	911	(411)
Telephone	2,500	2,348	152
Travel/meetings	1,500	1,690	(190)
Office supplies	2,500	4,890	(2,390)
Postage	1,000	1,036	(36)
Auditor- Copier/Treasurer	-	650	(650)
Total Auditor	395,798	339,402	56,396
Treasurer			
Salaries and wages	202,200	202,199	1
Travel Allotments	2,400	1,206	1,194
Treasurer- Advanced Drug Testing	90	25	65
Equipment maintenance	500	318	182
Telephone system lease	1,500	-	1,500
Telephone	2,800	2,726	74
Dues and Memberships	500	500	-
Training	1,000	1,000	-
Travel Expenditures	3,000	2,398	602
Office supplies	7,000	7,000	-
Postage	80,000	80,000	-
Vehicle Fuel	1,100	949	151
Total Treasurer	302,090	298,321	3,769
Miscellaneous			
Public defender	52,000	52,000	-
Pauper Funerals	250	-	250
Watershed maintenance	30,000	30,000	-
Bonds on employees	3,000	3,346	(346)
Family court telephone	3,500	3,403	97
Circuit judge phone	3,000	2,452	548
Soil conservation	5,750	5,750	-
Total Miscellaneous	97,500	96,951	549
Tax Assessor			
Salaries and wages	309,026	299,691	9,335
Equipment maintenance	2,000	1,451	549
Vehicle maintenance	1,000	597	403
Copy machine lease	4,320	2,984	1,336
Map copier lease	5,350	4,634	716
Postage meter lease	4,500	4,018	482
Telephone	3,000	3,065	(65)
Membership and dues	400	40	360
Training	6,000	7,441	(1,441)
Office supplies	6,000	5,098	902
Postage	10,000	1,000	9,000
Vehicle fuel	5,000	5,221	(221)
Total Tax Assessor	356,596	335,240	21,356

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT (Continued)			
Clerk of Court			
Salaries and wages	367,342	399,746	(32,404)
Advance drug testing	-	25	(25)
Jurors expense	70,000	45,350	24,650
Equipment maintenance	47,500	48,366	(866)
Computer maintenance	25,000	25,000	-
Maint. Contracts	240	239	1
Copier lease	13,500	8,433	5,067
Telephone	9,500	9,545	(45)
Travel/meetings	1,200	1,103	97
Office supplies	13,000	14,351	(1,351)
Postage	27,000	30,517	(3,517)
Child support enforcement	13,000	11,109	1,891
Travel Allotments	1,200	1,206	(6)
Register of deeds supplies	5,000	3,001	1,999
Total Clerk of Court	593,482	597,991	(4,509)
Building and Grounds Maintenance			
Salaries	237,575	220,129	17,446
Drug testing	200	50	150
Building maintenance	73,537	81,575	(8,038)
Maintenance contracts	26,000	20,466	5,534
Radio maintenance	150	-	150
Building insurance	63,500	79,676	(16,176)
Cell phones	480	536	(56)
Telephone	2,440	2,086	354
Department supplies	200	12,411	(12,211)
Janitorial supplies	24,800	25,543	(743)
Landscape maintenance supplies	15,000	7,275	7,725
Postage	50	-	50
Vehicle supplies	2,680	4,137	(1,457)
Vehicle fuel	6,170	7,989	(1,819)
Utilities	200,000	224,309	(24,309)
Utilities/H.H.S. building	47,000	49,142	(2,142)
Miscellaneous and flags	700	790	(90)
Special projects	-	4,357	(4,357)
Total Buildings and Grounds Maintenance	700,482	740,471	(39,989)
Airport			
Salaries and wages	34,568	35,803	(1,235)
Equipment maintenance	5,000	602	4,398
Airfield maintenance	2,000	1,749	251
Tractor maintenance	500	32	468
Vehicle maintenance	-	720	(720)
Telephone	1,100	895	205
Travel/meetings	800	1,210	(410)
Building maintenance supplies	500	1,382	(882)
Office Supplies	350	491	(141)
Postage	75	-	75
Tractor supplies	750	836	(86)
Utilities	8,000	8,260	(260)
T-Hangar & Taxi-Lane (County)	25,000	-	25,000
Total Airport	78,643	51,980	26,663

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
GENERAL GOVERNMENT (Continued)			
Contingency			
Contingency	200,000	113,583	86,417
Total Contingency	<u>200,000</u>	<u>113,583</u>	<u>86,417</u>
Magistrates			
Salaries and wages	359,014	339,600	19,414
Travel Allotments	4,800	5,119	(319)
Jurors	5,000	14,360	(9,360)
Equipment maintenance	25,000	23,036	1,964
Copier Lease	6,100	4,905	1,195
Telephone and cell phones	7,900	8,322	(422)
Memberships/dues	500	487	13
Training/memberships	1,500	945	555
Travel/meetings	3,000	2,138	862
Office supplies	5,000	6,306	(1,306)
Postage	5,000	5,780	(780)
Equipment maintenance	1,000	714	286
Total Magistrates	<u>423,814</u>	<u>411,712</u>	<u>12,102</u>
Total general government	<u>\$ 8,924,239</u>	<u>\$ 9,918,543</u>	<u>\$ (994,304)</u>
PUBLIC SAFETY			
Coroner			
Salaries and wages	\$ 59,410	\$ 67,817	\$ (8,407)
Advance drug testing	50	75	(25)
Autopsies	60,000	56,047	3,953
Vehicle maintenance	1,500	2,101	(601)
Copy machine lease	1,400	1,615	(215)
Telephone system lease	1,677	-	1,677
Cell phone	1,900	1,147	753
Internet	150	70	80
Pagers	400	202	198
Telephone	2,500	2,385	115
Membership/dues	400	200	200
Training	2,600	1,392	1,208
Department supplies	500	281	219
Office supplies	3,000	1,582	1,418
Vehicle supplies	500	496	4
Equipment	1,500	727	773
Vehicle Fuel	5,000	7,043	(2,043)
Total Coroner	<u>142,487</u>	<u>143,180</u>	<u>(693)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC SAFETY (Continued)			
E-911			
Salaries and wages	148,876	158,086	(9,210)
Advanced Drug Testing	150	75	75
Call check maintenance	3,000	-	3,000
Headset repair/replacement	1,600	2,454	(854)
Office internet and wi-fi	1,000	-	1,000
Office voice mail	-	837	(837)
Recorder maintenance	12,000	11,717	283
Vehicle maintenance	500	216	284
Work station maintenance	21,000	23,544	(2,544)
Telephone system lease	-	105	(105)
Telephone	165,000	169,079	(4,079)
Director telephone	2,400	2,920	(520)
E-911 public awareness	3,000	2,792	208
Training	1,500	1,368	132
Computer supplies	1,200	1,110	90
Copier supplies	750	212	538
Office supplies	1,000	1,355	(355)
Plotter paper supplies	500	549	(49)
Postage	500	402	98
Uninterrupted power supply	2,000	1,669	331
Vehicle supplies	1,500	249	1,251
Wireless telephone lines	6,000	5,375	625
CAD lease purchase	119,000	48,317	70,683
CAD annual maintenance	20,000	14,084	5,916
Vehicle Fuel	1,500	1,536	(36)
	<u>513,976</u>	<u>448,051</u>	<u>65,925</u>
Total E-911			
Emergency Management			
Salaries and wages	20,496	14,800	5,696
Tornado siren	14,500	13,599	901
Rent/lease equipment	5,000	2,383	2,617
Telephone system lease	2,800	881	1,919
Telephone	10,000	9,191	809
Membership/Dues	500	410	90
Training	2,500	2,744	(244)
Travel	1,750	15	1,735
Office supplies	2,100	3,554	(1,454)
Postage	200	81	119
Uniforms	300	217	83
Machines/equipment	500	449	51
	<u>60,646</u>	<u>48,324</u>	<u>12,322</u>
Total Emergency Management			
Emergency Operations			
Salaries and wages	495,550	465,620	29,930
Overtime	69,649	101,355	(31,706)
Advance drug testing	250	-	250
COG mapping agreement	1,000	400	600
Charter records fiber network	7,200	6,011	1,189
DTN weather service	4,000	1,733	2,267
Service contract - Radio	37,000	40,244	(3,244)
Telephone maintenance	6,900	4,535	2,365
Vehicle maintenance	2,200	3,106	(906)
Copier lease	7,400	5,235	2,165
SLED NCIC terminal	7,500	6,067	1,433

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC SAFETY (Continued)			
Emergency Operations (Continued)			
Telephone	39,000	34,140	4,860
Emergency line	14,000	7,636	6,364
Memberships/dues	650	665	(15)
Training	3,000	3,039	(39)
Travel/per diem	2,000	1,578	422
Computer supplies	1,000	793	207
Copier supplies	1,000	743	257
Office supplies	4,250	5,299	(1,049)
Postage	700	325	375
Road signs	12,000	11,998	2
Uniforms	500	655	(155)
Vehicle supplies	1,000	477	523
Vehicle Fuel	5,800	5,865	(65)
Office furniture	1,000	1,271	(271)
GIS Software Maintenance	16,500	16,434	66
Plotter 800 Annual Maintenance	1,800	1,505	295
GIS Server Supplies	1,800	1,795	5
Walkie Talkie Monthly User Fee	2,500	1,486	1,014
GIS Contractual Service	100,000	98,766	1,234
Total Emergency Operations	847,149	828,776	18,373
Emergency Medical Services			
Salaries and wages	1,215,346	1,119,390	95,956
Overtime	505,000	494,816	10,184
Holiday work pay	25,968	9,905	16,063
Fringe benefits	714,186	633,456	80,730
Advanced Drug Testing	1,000	624	376
Professional Services	100,625	103,491	(2,866)
Copier maintenance	4,200	2,126	2,074
Equipment maintenance	10,000	11,254	(1,254)
Vehicle maintenance	65,000	86,392	(21,392)
Telephone systems lease	5,000	-	5,000
Technology	10,000	15,272	(5,272)
Cellular Phones	7,750	5,765	1,985
Telephone	22,000	17,744	4,256
Memberships and dues	800	125	675
Training	13,000	2,418	10,582
Travel	1,600	2,595	(995)
Building maintenance	5,000	2,335	2,665
Public safety- N800 Palmetto Radio	-	650	(650)
Laundry and linen	400	256	144
Medical supplies	145,505	161,426	(15,921)
Office supplies	5,000	3,971	1,029
Uniforms	18,814	23,720	(4,906)
Vehicle supplies	66,000	89,229	(23,229)
Vehicle fuel	110,000	162,019	(52,019)
Utilities	25,410	23,953	1,457
Infection control	3,000	2,381	619
Petty cash	200	110	90
Public safety- Event expenses	-	243	(243)
EMS grant expenditures	20,000	10,970	9,030
Total Emergency Medical Services	3,100,804	2,986,636	114,168

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC SAFETY (Continued)			
Victims' Assistance			
Salaries and wages	92,388	96,762	(4,374)
Fringe benefits	34,604	33,949	655
Computer system maintenance	1,000	-	1,000
Vehicle maintenance	1,500	573	927
Telephone	1,300	1,830	(530)
Printing and binding	1,500	2,522	(1,022)
Dues	250	-	250
Travel/Meetings-Victims Assistance	250	525	(275)
Travel/training	2,500	-	2,500
Copier supplies	200	686	(486)
Office supplies	1,000	909	91
Postage	450	231	219
Vehicle supplies	1,500	709	791
Law tracks	18,500	19,768	(1,268)
Contingency	3,000	214	2,786
Vehicle Fuel	3,500	3,773	(273)
Cell Phone Expenditures	1,900	2,005	(105)
Total Victim's Assistance	<u>165,342</u>	<u>164,456</u>	<u>886</u>
Sheriff			
Salaries and wages	2,180,220	2,176,160	4,060
Overtime	145,642	179,500	(33,858)
Holiday work pay	27,726	25,908	1,818
Travel allotments	1,200	1,206	(6)
Uniform allowance	9,500	11,679	(2,179)
Advance drug testing	1,200	898	302
Professional services	1,800	1,500	300
Transports/mental exams	4,000	402	3,598
Towing/storage seized vehicles	6,000	19,443	(13,443)
Computer maintenance	36,000	42,216	(6,216)
Copier lease	13,000	12,695	305
Vehicle maintenance	210,000	253,135	(43,135)
Telephone system lease	7,200	8,710	(1,510)
Fidelity bonds	700	702	(2)
Cell phones	12,500	10,659	1,841
Telephone	27,000	31,610	(4,610)
Membership/Dues	1,500	3,137	(1,637)
Training	10,000	8,124	1,876
Travel/meetings	2,500	3,919	(1,419)
DARE explorer	500	510	(10)
DARE community	500	-	500
Sheriff N800 Palmetto Radio Service	55,000	49,014	5,986
Charter Wan Service	6,300	5,968	332
Department supplies	20,000	12,767	7,233
K-nine maintenance supplies	1,500	(2,163)	3,663
Office supplies	14,000	16,145	(2,145)
Postage	8,000	2,074	5,926
Reserve deputy supplies	2,500	(2,025)	4,525
Uniforms	60,000	29,093	30,907
Vehicle supplies/fuel	395,000	575,230	(180,230)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC SAFETY (Continued)			
Sheriff (Continued)			
BJA grant expense	30,000	27,453	2,547
Crime prevention program	1,500	1,680	(180)
Drug Fund/Stolen Property	500	705	(205)
DARE Program	2,500	2,604	(104)
State drug forfeitures	10,000	40,717	(30,717)
Child support enforcement	15,000	-	15,000
Vest grant expenditure	-	7,654	(7,654)
Sex offender registration fee due	13,000	3,750	9,250
Sex offender computer maintenance	1,500	3,182	(1,682)
Total Sheriff	3,334,988	3,565,961	(230,973)
Detention Center			
Salaries and wages	1,539,870	1,486,520	53,350
Overtime	116,097	171,035	(54,938)
Uniform allowance	2,500	2,946	(446)
Advanced Drug Testing	1,000	474	526
Physician and medical supplies	250,000	200,791	49,209
Systems maintenance	75,000	79,536	(4,536)
Rental & lease - equipment	1,000	-	1,000
Copier Lease	11,500	10,961	539
Telephone	25,000	36,688	(11,688)
Juvenile incarceration	20,000	15,075	4,925
Training	25,000	23,041	1,959
Department supplies	45,000	56,584	(11,584)
Laundry and linen	15,000	16,087	(1,087)
Janitorial supplies	30,000	40,599	(10,599)
Office supplies	13,000	12,857	143
Postage	2,000	1,099	901
Utilities	200,000	182,519	17,481
Food/provisions	320,000	303,987	16,013
Inmate welfare	-	3,988	(3,988)
Total Detention Center	2,691,967	2,644,787	47,180
Road/Bridges			
Salaries and wages	392,207	361,565	30,642
Advanced Drug Testing	500	125	375
Professional services	500	372	128
Vehicle maintenance	45,000	45,792	(792)
Telephone	680	557	123
Training	400	-	400
Bridge maintenance supplies	39,500	1,917	37,583
Dept supplies	167,000	130,743	36,257
Office supplies	500	25	475
Pipe	18,000	-	18,000
Postage	75	-	75
Road signs	8,000	2,926	5,074
Vehicle supplies	19,000	20,964	(1,964)
Utilities	7,200	10,740	(3,540)
Cell Phone	450	496	(46)
Vehicle Fuel	73,500	89,496	(15,996)
Total Road/Bridges	772,512	665,718	106,794

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC SAFETY (Continued)			
Inspections/Permits			
Salaries	262,416	240,732	21,684
Demolition and cleanup	30,000	22,625	7,375
Vehicle maintenance	3,100	2,980	120
Copy machine lease	5,800	3,277	2,523
Telephone and cell phones	7,000	7,053	(53)
Training/uniforms	5,000	3,788	1,212
Travel	2,500	3,476	(976)
Computer supplies	3,000	3,150	(150)
Office supplies	10,000	11,961	(1,961)
Vehicle supplies	3,000	7,669	(4,669)
Vehicle Fuel	15,000	17,374	(2,374)
Total Inspections/Permits	<u>346,816</u>	<u>324,085</u>	<u>22,731</u>
Total public safety	<u>\$ 11,976,687</u>	<u>\$ 11,819,974</u>	<u>\$ 156,713</u>
PUBLIC WORKS			
Public Works			
Salaries and wages	\$ 115,292	117,477	\$ (2,185)
Contractual services	1,000	343	657
Vehicle maintenance	400	74	326
Telephone and cell phones	2,200	2,780	(580)
Memberships/dues	400	145	255
Training	250	183	67
Travel/meetings	1,100	-	1,100
Office supplies	1,000	2,008	(1,008)
Postage	450	7	443
Uniforms	11,000	11,765	(765)
Vehicle supplies/fuel	1,500	1,463	37
Total Public Works	<u>134,592</u>	<u>136,245</u>	<u>(1,653)</u>
Solid Waste Management			
Salaries	633,836	645,187	(11,351)
Fringe benefits	240,063	205,745	34,318
Pay in lieu of insurance	5,110	-	5,110
Advanced drug testing	700	320	380
Professional services	11,800	1,450	10,350
Tire disposal fees	26,000	20,449	5,551
Well monitor	18,000	15,500	2,500
Equipment maintenance	77,000	55,973	21,027
Cell Phone	2,050	2,089	(39)
Telephone	2,850	2,728	122
Equipment supplies	37,000	19,491	17,509
Dump site maintenance	12,650	6,557	6,093
Litter/humane equipment & supplies	29,800	35,191	(5,391)
Landfill maintenance supplies	14,000	11,986	2,014
Postage	100	17	83
Vehicle fuel	114,000	121,478	(7,478)
Utilities	15,000	14,553	447
Grant Expenditure	46,464	27,414	19,050

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
PUBLIC WORKS (Continued)			
Solid Waste Management (Continued)			
Transfer station fees	670,000	620,119	49,881
Miscellaneous	1,300	1,396	(96)
Contingency	40,492	-	40,492
Total Solid Waste Management	<u>1,998,215</u>	<u>1,807,643</u>	<u>190,572</u>
Total public works	<u>\$ 2,132,807</u>	<u>\$ 1,943,888</u>	<u>\$ 188,919</u>
HEALTH AND WELFARE			
Veterans Affairs			
Salaries and wages	\$ 90,629	101,488	\$ (10,859)
Equipment maintenance	2,000	2,433	(433)
Vehicle maintenance	2,500	3,189	(689)
Telephone system lease	883	1,009	(126)
Telephone	2,650	2,599	51
Travel/meetings	1,500	600	900
Office supplies	2,600	2,145	455
Postage	1,000	1,054	(54)
Vehicle supplies	1,000	502	498
Cell Phone Expenditures	2,000	697	1,303
Vehicle Fuel	3,000	3,362	(362)
Total Veteran's Affairs	<u>109,762</u>	<u>119,078</u>	<u>(9,316)</u>
Health Department			
Telephone	9,313	9,441	(128)
Copier Lease	1,118	1,213	(95)
Emergency contingency	186	110	76
Total Health Department	<u>10,617</u>	<u>10,764</u>	<u>(147)</u>
Social Services			
Telephone	11,920	11,923	(3)
Total health and welfare	<u>\$ 132,299</u>	<u>\$ 141,765</u>	<u>\$ (9,466)</u>
CULTURE AND RECREATION			
Parks and Recreation			
Salaries and wages	\$ 59,986	\$ 57,855	\$ 2,131
Travel Allotments	1,200	1,206	(6)
Professional services	800	560	240
Equipment maintenance	800	1,669	(869)
Grounds maintenance	8,000	11,000	(3,000)
Vehicle maintenance	700	1,142	(442)
Telephone	1,400	1,035	365
Training/membership dues	400	198	202
Travel/meetings	400	203	197
Department supplies	2,400	6,535	(4,135)
Postage	100	7	93
Vehicle supplies	1,500	973	527
Cell Phone Reimbursement	840	844	(4)

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
CULTURE AND RECREATION (Continued)			
Parks and Recreation (Continued)			
Vehicle Fuel	4,500	3,902	598
Utilities	12,000	11,675	325
Community projects	<u>32,000</u>	<u>24,856</u>	<u>7,144</u>
Total Parks and Recreation	<u>127,026</u>	<u>123,660</u>	<u>3,366</u>
Library			
Salaries	450,463	434,721	15,742
Drug testing	-	150	(150)
Professional services	6,800	6,800	-
Bookmobile maintenance	2,500	2,500	-
Computer maintenance	30,000	29,968	32
Equipment maintenance	6,000	4,971	1,029
Telephone	5,000	4,998	2
Travel/meetings	3,000	2,987	13
Bookmobile supplies	2,500	1,767	733
Department supplies	70,000	69,999	1
Office supplies	5,500	5,500	-
Postage	2,500	1,732	768
Utilities	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Library	<u>634,263</u>	<u>616,093</u>	<u>18,170</u>
Total recreation	<u>\$ 761,289</u>	<u>\$ 739,753</u>	<u>\$ 21,536</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.	<u>48,707</u>	<u>48,707</u>	<u>-</u>
	<u>318,001</u>	<u>317,958</u>	<u>43</u>
Special Appropriations			
Piedmont Technical College	-	-	-
GLEAMNS	9,500	9,500	-
Laurens fed./blind	3,600	3,600	-
County Museum	7,000	7,000	-
Senior options	7,700	7,700	-
Crimestoppers	1,000	1,000	-
Humane Society	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>33,800</u>	<u>33,800</u>	<u>-</u>
Clemson Extension			
Beautification project	1,200	1,118	82
4-H Project	25,000	25,000	-
Office supplies	3,000	3,120	(120)
Utilities	<u>5,600</u>	<u>224</u>	<u>5,376</u>
Total Clemson Extension	<u>34,800</u>	<u>29,462</u>	<u>5,338</u>
Total intergovernmental and private non-profit	<u>\$ 386,601</u>	<u>\$ 381,220</u>	<u>\$ 5,381</u>
TOTAL BUDGETED EXPENDITURES	<u>\$ 24,313,922</u>	<u>\$ 24,945,143</u>	<u>\$ (631,221)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS)
For the year ended June 30, 2012

	Original and Final Budget	Actual	Variance
NON-BUDGETED EXPENDITURES			
Local option sales tax distributed		\$ 2,584,753	
State for road maintenance		1,379,081	
Economic development - ZF project		1,327,579	
Clinton parking lot		500,614	
Old Laurens Road improvement project		1,189	
Airfield Pavement Rehabilitation project		186,150	
Technical education		181,350	
Clinton frontage road project		42,217	
Indigent care		91,109	
Economic development		400,000	
Economic development		130,202	
Economic development - American Titanium Works		660	
Registration- grant expenditures		3,164	
Capital expenditure-building maintenance		28,865	
Miscellaneous		97,705	
Total non-budgeted expenditures		6,954,638	
TOTAL EXPENDITURES		\$ 31,899,781	

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Community Development	Fire Coordinator	Laurens County Fire Department Debt Service	Fire Capital Reserve	Gray Court	Cross Hill	Durbin Creek	Ekom	Greenpond
ASSETS									
Cash held by County Government	\$ 94,609	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Cash held at fire departments	-	-	-	-	23,150	68,221	8,617	64,092	53,399
Taxes receivable - net	-	17,250	4,796	10,539	-	-	-	-	-
Accounts receivable	-	1,463	-	-	-	-	-	-	-
Due from other funds	-	790,734	76,356	499,849	-	-	-	-	-
Due from other governments	8,800	-	-	-	-	-	-	-	-
Total assets	<u>103,409</u>	<u>809,447</u>	<u>81,152</u>	<u>510,388</u>	<u>23,150</u>	<u>68,221</u>	<u>8,617</u>	<u>64,092</u>	<u>53,399</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	5,014	12,103	-	-	-	-	-	-	-
Deferred revenue	-	15,581	4,772	8,984	-	-	-	-	-
Total liabilities	<u>5,014</u>	<u>27,684</u>	<u>4,772</u>	<u>8,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances									
Restricted	98,395	781,763	76,380	501,404	23,150	68,221	8,617	64,092	53,399
Total fund balances	<u>98,395</u>	<u>781,763</u>	<u>76,380</u>	<u>501,404</u>	<u>23,150</u>	<u>68,221</u>	<u>8,617</u>	<u>64,092</u>	<u>53,399</u>
Total liabilities and fund balances	<u>\$ 103,409</u>	<u>\$ 809,447</u>	<u>\$ 81,152</u>	<u>\$ 510,388</u>	<u>\$ 23,150</u>	<u>\$ 68,221</u>	<u>\$ 8,617</u>	<u>\$ 64,092</u>	<u>\$ 53,399</u>

(Continued)

**LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
ASSETS									
Cash held by County Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,609
Cash held at fire departments	57,149	21,188	87,312	37,617	6,310	83,273	18,658	8,558	537,544
Taxes receivable - net	-	-	-	-	-	-	-	-	32,585
Accounts receivable	-	-	-	-	-	-	-	-	1,463
Due from other funds	-	-	-	-	-	-	-	-	1,366,939
Due from other governments	-	-	-	-	-	-	-	-	8,800
Total assets	<u>57,149</u>	<u>21,188</u>	<u>87,312</u>	<u>37,617</u>	<u>6,310</u>	<u>83,273</u>	<u>18,658</u>	<u>8,558</u>	<u>2,041,940</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	-	-	-	-	-	-	-	-	17,117
Deferred revenue	-	-	-	-	-	-	-	-	29,337
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,454</u>
Fund balances									
Restricted	57,149	21,188	87,312	37,617	6,310	83,273	18,658	8,558	1,995,486
Total fund balances	<u>57,149</u>	<u>21,188</u>	<u>87,312</u>	<u>37,617</u>	<u>6,310</u>	<u>83,273</u>	<u>18,658</u>	<u>8,558</u>	<u>1,995,486</u>
Total liabilities and fund balances	<u>\$ 57,149</u>	<u>\$ 21,188</u>	<u>\$ 87,312</u>	<u>\$ 37,617</u>	<u>\$ 6,310</u>	<u>\$ 83,273</u>	<u>\$ 18,658</u>	<u>\$ 8,558</u>	<u>\$ 2,041,940</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, 2012

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Fire Capital Reserve	Gray Court	Cross Hill	Durbin Creek	Ekom
REVENUES								
Property taxes	\$ -	\$ 274,747	\$ (1,292)	\$ 261,749	\$ -	\$ -	\$ -	\$ -
Intergovernmental	439,909	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	7
Other income	-	-	-	-	23,466	1,944	2,730	24
Total revenues	439,909	274,747	(1,292)	261,749	23,466	1,944	2,730	31
EXPENDITURES								
Salaries and wages	-	74,987	-	-	-	-	-	-
Fringe benefits	-	23,843	-	-	-	-	-	-
Professional services	-	213	-	-	-	-	-	-
Physician and medical supplies	-	3,746	-	-	-	-	-	-
Equipment repairs	-	2,958	-	-	6,209	1,967	1,370	-
Vehicle repairs	-	4,723	-	-	3,136	596	599	1,326
Rent expense	-	5,692	-	-	-	-	-	-
Telephone	-	10,035	-	-	2,018	771	159	457
Dues and subscriptions	-	159	-	-	176	-	2,032	760
Training	-	11,184	-	-	173	369	555	54
Travel and meetings	-	5,813	-	-	1,672	-	130	360
Fire prevention supplies	-	1,533	-	-	-	-	-	-
Office supplies and equipment	-	1,722	-	-	502	3,818	2,365	-
Postage	-	-	-	-	160	-	-	70
Uniforms	-	160	-	-	-	-	-	-
Vehicle supplies	-	1,159	-	-	-	-	-	-
Fuel and oil	-	22,010	-	-	2,174	308	683	788
Books and publications	-	1,053	-	-	-	2,360	-	-
Building repairs	-	-	-	-	3,146	1,955	3,557	9,537
Capital outlay	-	3,203,031	-	-	9,732	-	-	-
Bank charges	-	4,100	-	-	300	24	494	-
Advertising/printing/supplies	-	-	-	-	670	2,121	-	366
Utilities	-	-	-	-	105	-	97	47
General Supplies	-	-	-	-	-	-	-	-
Maintenance contract	-	-	-	-	1,712	2,765	-	-
1st responder supplies	-	-	-	-	301	406	1,277	-
Cleaning supplies	-	-	-	-	335	355	392	261
Other	-	-	-	-	4,155	195	4,613	371
Fundraising expense	-	-	-	-	-	-	2,135	-
Fire fighting supplies and equipment	-	64,952	-	-	61,784	99	16,478	5,226
Economic development	345,300	-	-	-	-	-	-	-
Fireman's fund expenditures	-	-	-	-	4,187	16,372	-	-
1% fund expenditures	-	-	-	-	7,061	-	-	-

(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, 2012**

	Community Development	Fire Coordinator	Laurens Rural Fire Dept. Debt Service	Fire Capital Reserve	Gray Court	Cross Hill	Durbin Creek	Ekom
EXPENDITURES, Continued								
Contingency	-	6,457	-	-	-	-	-	-
Total expenditures	345,300	3,449,530	-	-	109,708	34,481	36,936	19,623
Excess (deficiency) of revenues over expenditures	94,609	(3,174,783)	(1,292)	261,749	(86,242)	(32,537)	(34,206)	(19,592)
OTHER FINANCING SOURCES								
Transfers in	-	3,191,742	-	-	14,950	13,815	11,650	7,780
Total other financing sources (uses)	-	3,191,742	-	-	14,950	13,815	11,650	7,780
Net change in fund balance	94,609	16,959	(1,292)	261,749	(71,292)	(18,722)	(22,556)	(11,812)
FUND BALANCES, BEGINNING OF YEAR	3,786	764,804	77,672	239,655	94,442	86,943	31,173	75,904
FUND BALANCES, END OF YEAR	<u>\$ 98,395</u>	<u>\$ 781,763</u>	<u>\$ 76,380</u>	<u>\$ 501,404</u>	<u>\$ 23,150</u>	<u>\$ 68,221</u>	<u>\$ 8,617</u>	<u>\$ 64,092</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, 2012**

	Greenpond	Hickory Tavern	Joanna	Mountville	Renno	Sandy Springs	Waterloo	Western Laurens	Young's	Total
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535,204
Intergovernmental	-	-	-	-	-	-	-	-	-	439,909
Interest	-	3	3	82	-	2	3	18	-	118
Other income	-	1,790	4,911	7,600	740	24,273	65,598	5,000	935	139,011
Total revenues	-	1,793	4,914	7,682	740	24,275	65,601	5,018	935	1,114,242
EXPENDITURES										
Salaries and wages	-	-	-	-	-	-	-	-	-	74,987
Fringe benefits	-	-	-	-	-	-	-	-	-	23,843
Professional services	-	-	-	-	-	-	-	-	-	213
Physician and medical supplies	-	-	-	-	-	-	-	-	-	3,746
Equipment repairs	-	1,850	716	1,864	-	2,707	1,138	35,766	4,850	61,395
Vehicle repairs	246	216	2,771	73	1,064	4,075	125	192	504	19,646
Rent expense	-	-	-	-	391	-	-	-	-	6,083
Telephone	420	369	1,684	283	834	856	1,129	1,351	353	20,719
Dues and subscriptions	363	500	-	865	295	1,305	715	364	111	7,645
Training	-	36	70	-	-	-	-	2,136	111	14,688
Travel and meetings	-	225	-	-	-	250	-	-	106	8,556
Fire prevention supplies	-	-	-	-	-	-	-	-	-	1,533
Office supplies and equipment	4,555	245	7,341	-	962	478	3,178	1,688	3,864	30,718
Postage	44	-	184	56	44	230	134	26	34	982
Uniforms	-	-	-	-	-	-	-	-	-	160
Vehicle supplies	-	-	-	-	-	-	-	-	-	1,159
Fuel and oil	670	1,298	1,464	588	1,260	1,005	2,606	1,266	2,321	38,441
Books and publications	-	-	-	-	-	-	-	-	-	3,413
Building repairs	10,774	551	1,002	2,304	3,693	3,041	4,412	754	7,545	52,271
Capital outlay	-	32,450	-	12,128	-	5,600	65,010	-	-	3,327,951
Bank charges	-	300	152	-	43	488	300	45	-	6,246
Advertising/printing/supplies	170	2,194	208	266	275	1,027	217	90	534	8,138
Utilities	55	165	330	37	-	92	131	223	54	1,336
General Supplies	-	-	-	-	-	-	-	-	-	-
Maintenance contract	961	-	-	465	-	-	225	-	675	6,803
1st responder supplies	343	-	-	-	281	299	-	-	116	3,023
Cleaning supplies	-	269	328	-	95	-	269	-	771	3,075
Other	620	181	-	979	1,118	1,354	412	589	5,720	20,307
Fundraising expense	-	-	-	-	-	-	-	-	-	2,135
Fire fighting supplies and equipment	5,303	19,163	6,742	631	1,187	27,508	5,816	16,556	10,119	241,564
Economic development	-	-	-	-	-	-	-	-	-	345,300
Fireman's fund expenditures	-	-	14,155	-	-	-	-	-	-	34,714
1% fund expenditures	-	-	-	-	-	-	-	-	-	7,061

(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, 2012**

	<u>Greenpond</u>	<u>Hickory Tavern</u>	<u>Joanna</u>	<u>Mountville</u>	<u>Renno</u>	<u>Sandy Springs</u>	<u>Waterloo</u>	<u>Western Laurens</u>	<u>Young's</u>	<u>Total</u>
EXPENDITURES, Continued										
Contingency	-	-	-	-	-	-	-	-	-	6,457
Total expenditures	24,524	60,012	37,147	20,539	11,542	50,315	85,817	61,046	37,788	4,384,308
Excess (deficiency) of revenues over expenditures	(24,524)	(58,219)	(32,233)	(12,857)	(10,802)	(26,040)	(20,216)	(56,028)	(36,853)	(3,270,066)
OTHER FINANCING SOURCES										
Transfers in	7,550	47,350	10,250	6,650	5,400	13,400	16,050	22,500	21,950	3,391,037
Total other financing sources (uses)	7,550	47,350	10,250	6,650	5,400	13,400	16,050	22,500	21,950	3,391,037
Net change in fund balance	(16,974)	(10,869)	(21,983)	(6,207)	(5,402)	(12,640)	(4,166)	(33,528)	(14,903)	120,971
FUND BALANCES, BEGINNING OF YEAR	70,373	68,018	43,171	93,519	43,019	18,950	87,439	52,186	23,461	1,874,515
FUND BALANCES, END OF YEAR	<u>\$ 53,399</u>	<u>\$ 57,149</u>	<u>\$ 21,188</u>	<u>\$ 87,312</u>	<u>\$ 37,617</u>	<u>\$ 6,310</u>	<u>\$ 83,273</u>	<u>\$ 18,658</u>	<u>\$ 8,558</u>	<u>\$ 1,995,486</u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
June 30, 2012

	<u>General Obligation bond</u>
ASSETS	
Due from other funds	\$ 329,910
Property taxes receivable	<u>48,516</u>
Total assets	<u><u>\$ 378,426</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Deferred revenue	<u>\$ 43,259</u>
Total liabilities	<u>43,259</u>
FUND BALANCES	
Restricted	<u>335,167</u>
Total fund balances	<u>335,167</u>
Total liabilities and fund balances	<u><u>\$ 378,426</u></u>

LAURENS COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	Special Source Revenue Bond	General Obligation bond	Total
REVENUES			
Property taxes	\$ -	\$ 633,796	\$ 633,796
Fee in lieu of taxes	290,245	9,803	300,048
Interest	-	2,266	2,266
Total revenues	<u>290,245</u>	<u>645,865</u>	<u>936,110</u>
EXPENDITURES			
Debt service			
Principal retirement	248,000	667,629	915,629
Interest and fiscal charges	42,245	125,038	167,283
Total expenditures	<u>290,245</u>	<u>792,667</u>	<u>1,082,912</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>(146,802)</u>	<u>(146,802)</u>
Net change in fund balance	-	(146,802)	(146,802)
Fund balances, beginning of the year	<u>-</u>	<u>481,969</u>	<u>481,969</u>
Fund balances, end of the year	<u>\$ -</u>	<u>\$ 335,167</u>	<u>\$ 335,167</u>

LAURENS COUNTY, SOUTH CAROLINA
FINES, ASSESSMENTS AND SURCHARGES
VICTIMS' ASSISTANCE FUNDS
For the year ended June 30, 2012

Court Fines	
Court fines collected	\$ 911,016
Court fines retained by County	<u>542,695</u>
Court fines remitted to State Treasurer	<u>\$ 368,321</u>
Court Assessments	
Court assessments collected	\$ 588,306
Court assessments retained by County	<u>115,565</u>
Court assessments remitted to State Treasurer	<u>\$ 472,741</u>
Court Surcharges	
Court surcharges collected	\$ 819,349
Court surcharges retained by County	<u>539,821</u>
Court surcharges remitted to State Treasurer	<u>\$ 279,528</u>
Victims' Assistance	
Court assessments allocated to Victims' Assistance	\$ 58,149
Court surcharges allocated to Victims' Assistance	57,416
Intergovernmental funds	21,209
Local funds	<u>27,682</u>
Funds allocated to Victims' Assistance	164,456
Victims' Assistance expenditures	<u>(164,456)</u>
Funds available for carryforward	-
Fund carried forward from prior year	<u>-</u>
Funds available for carryforward to subsequent year	<u>\$ -</u>



**INDEPENDENT AUDITOR'S 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, 2012 which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2013. We did not express an opinion on the discretely presented component unit since it was 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

Management of Laurens County, South Carolina is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as 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 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 as 2012-1, 2012-2 and 2012-3 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*.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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

Greenwood, South Carolina
March 22, 2013





**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Laurens County Council
Laurens County
Laurens, South Carolina

Compliance

We have audited Laurens County, South Carolina (the County's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. 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 the 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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal control over compliance

Management of Laurens County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program 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 information and use of management, Laurens County Council, others within the County, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Greenwood, South Carolina
March 22, 2013



LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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 AGRICULTURE</u>				
Passed through South Carolina State Treasurer's Office				
Schools and Roads - Grants to States	10.665	N/A	\$	<u>53,426</u>
Total U.S. Department of Agriculture				<u>53,426</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through State Department of Commerce				
Community Development Block Grant	14.228	4-CI-11-021	\$ 500,000	1,500
Community Development Block Grant	14.228	4-CI-10-019	\$ 163,750	<u>139,069</u>
Total U.S. Department of Housing and Urban Development				<u>140,569</u>
<u>U S DEPARTMENT OF JUSTICE</u>				
Passed through the Office of the Justice Program				
Edward R. Byrne Justice Assistance Grant	16.738	N/A		26,280
BPV Financial Assistance	16.738	FY 2010		<u>6,825</u>
Total U.S. Department of Justice				<u>33,105</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through South Carolina Department of Transportation				
Highway Planning and Construction	20.205	EM05 (27)	\$ 2,240,000	42,217
Airport Improvement Program	20.106	3-45-0036-010-2011		<u>192,441</u>
Total U.S Department of Transportation				<u>234,658</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through South Carolina Department of Social Services				
Child Support Enforcement - Family Court	93.563	N/A		179,515
Child Support Enforcement - Filing Fees	93.563	N/A		30,150
Child Support Enforcement - IV, D Incentives	93.563	N/A		26,526
Child Support Enforcement - DSS Administrative Expense	93.563	N/A		<u>62,669</u>
Total Department of Health and Human Services				<u>298,860</u>
<u>U. S. HOMELAND SECURITY ADMINISTRATION</u>				
Passed through S C Law Enforcement Division:				
Local Emergency Management Performance	97.042	11EMPG01		42,642
Assistance to Firefighters	97.044	N/A		<u>118,750</u>
Total U.S. Homeland Security Administration				<u>161,392</u>
Total expenditures of federal awards			\$	<u><u>922,010</u></u>

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (as amended). Because the schedule presents only a select portion of operations of Laurens County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Laurens County.

The expenditures presented in the Schedule of Expenditures of Federal Awards reflect amounts recorded by Laurens County, South Carolina during its fiscal year July 1, 2011 through June 30, 2012, and are on the cash basis of accounting.

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified
Internal control over financial reporting:

- Material weakness identified? X yes no
- Significant deficiency identified? 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? yes X none reported

Type of auditor's 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 OMB Circular A-133? yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
93.563	U.S. Department of Health and Human Services
20.106	U.S. Department of Transportation - Airport Improvement Program

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

Auditee qualified as low-risk auditee? yes X no

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

Section II – FINANCIAL STATEMENT FINDINGS

Item 2012-1: Dual General Ledger Reconciliation

Condition

The CSI general ledger accounts were not reconciled with the Smith Data System general ledger maintained by the Treasurer's Office during the year. A significant number of cash receipt, disbursement and transfer transactions were omitted during the monthly input of data into CSI, requiring additional work by the Finance Department staff subsequent to yearend in order to correct the deficiencies and reconcile accounts between the two systems.

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, including reconciliation of the CSI account balances to the Smith Data System account balances.

Effect

Management is unable to provide monthly financial reporting that is accurate, timely and inclusive of all information needed to properly forecast the needs of Laurens County and use of available resources. Additionally, the yearend close process and completion of the audit process was delayed.

Recommendation

We recommend management reconsider the advantages of a single general ledger system to be utilized by both the Treasurer's Office and the Finance Department to avoid dual entry of data, thus reducing the risk of similar omissions moving forward. If a single general ledger system is deemed to be unfeasible, we recommend development of detailed procedures and processes, utilizing electronic transfer of data, to replace manual keying of data into the CSI system. Electronic transfer would likely consume less staff time, providing additional staff time to be dedicated to monthly reconciliation of accounts in the CSI general ledger to the Treasurer's Office Smith Data Systems general ledger, and to other underlying accounting records.

Management Response

The finance department has implemented daily electronic transfer of data from the Treasurer's Office Smith Data Systems general ledger for upload and posting into the CSI general ledger during fiscal year 2012-13. Progress is being made, and this continues to be one of the highest priorities for the Finance Department and Treasurer's Office.

Item 2012-2: Financial Reporting Process and Year End Close

Condition

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

Criteria

The County's accounting processes should include procedures to ensure accurate financial reporting is made on a timely basis. In addition, monthly budget and actual expenditure reports, reports of cash balances and revenues received for the month and year to date should be presented.

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

FINDING – FINANCIAL STATEMENT FINDINGS, Continued

Item 2012-2: Financial Reporting Process and Year End Close, Continued

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 accurate, timely, quarterly financial information. In addition, monthly budget and actual expenditure reports, reports of cash balances and revenues received for the month and year to date should be presented.

Management Response

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 2012-3: County Bank Accounts Balances and Transactions 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.

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.

(Continued)

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2012

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, 2012

FINDING AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Item 2011-4: Federal Financial Reporting

Information on the federal program

CFDA No. 20.106, Airport Improvement Program, U.S. Department of Transportation, Federal Aviation Administration (FAA).

Condition and Criteria

Pursuant to the requirement under Order 5100.38C, item 1221, FAA Airports Offices are to advise the grant recipient of the requirement for quarterly project progress reports. The County did not file such reports in a timely manner.

Effect

Management did not fulfill the requirement to provide quarterly project progress reporting that was accurate and timely.

Cause

Absence of procedural documentation and training to direct County management and staff through the necessary steps required to gain a full understanding of grant requirements.

Auditor Recommendation

We recommend management review their processes, develop additional procedures as considered necessary and implement such procedures, if any, with related managerial and staff training, to ensure proper review and understanding of the requirements of grant programs awarded to the County.

Current Status

No similar findings were noted during the current year.