

CITY OF LIBERTY
FINANCIAL STATEMENTS

For the Year Ended June 30, 2001

CITY OF LIBERTY
LIBERTY, SOUTH CAROLINA

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Liberty
Liberty, South Carolina

We have audited the accompanying general purpose financial statements of the City of Liberty, South Carolina (the City) as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As explained in Note 1, the City has not historically maintained a record of its general fixed assets. As a result of such incomplete records, we were unable to satisfy ourselves, by appropriate audit tests or by other means, as to the reasonableness of the value of the general fixed assets.

In our opinion, except for the value of the general fixed assets, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City at June 30, 2001, and the results of its operations and the cash flows of its enterprise fund for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2001, on our consideration of the City of Liberty internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, all other supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Liberty. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the value of the general fixed assets, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

November 22, 2001

**CITY OF LIBERTY, SOUTH CAROLINA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001**

	<u>GOVERNMENTAL FUND TYPES</u>	<u>PROPRIETARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>
	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2000</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash	\$ 940,864			\$ 940,864
Receivables:				
Taxes/finances	125,673			125,673
Loans	7,003			7,003
Trade accounts	1,650	248,478		250,128
Grants	8,875	74,351		83,226
Other	190,569	1,714		192,283
Due from general fund		139,500		139,500
Due from special revenue				
Prepaid expenses	1,587			1,587
RESTRICTED ASSETS:				
Cash		38,252		38,252
FIXED ASSETS (NET, WHERE APPLICABLE)			1,782,585	
CONSTRUCTION IN PROGRESS		2,420,402		4,202,987
DEFERRED CHARGES		33,411		33,411
OTHER DEBITS:				
Amount to be provided for retirement of general long-term debt and other obligations				4,552
TOTAL ASSETS AND OTHER DEBITS	<u>\$1,276,221</u>	<u>\$2,960,660</u>	<u>\$1,782,585</u>	<u>\$6,138,757</u>
			<u>119,291</u>	<u>54,679</u>
			<u>\$6,138,757</u>	<u>\$4,748,935</u>

LIABILITIES, EQUITY AND OTHER CREDITS

	<u>GOVERNMENTAL FUND TYPES</u>		<u>PROPRIETARY FUND TYPES</u>		<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>	
	<u>GENERAL</u>		<u>ENTERPRISE</u>		<u>GENERAL ASSETS</u>	<u>GENERAL</u>	<u>(MEMORANDUM ONLY)</u>	
					<u>LONG-TERM DEBT</u>		<u>JUNE 30, 2001</u>	<u>JUNE 30, 2000</u>
LIABILITIES:								
Accounts payable	\$ 51,616		\$ 181,455		\$	\$ 233,071	\$ 6,218	
Accrued payroll taxes	1,760		473			2,233	1,731	
Accrued liabilities	75,511		6,936			82,447	101,091	
Due to enterprise fund	139,500					139,500	170,376	
Unearned revenue							1,558	
Deposits			10,722			10,722	10,460	
Notes payable			25,686		20,000	45,686	63,302	
Deferred revenue	<u>198,429</u>					<u>198,429</u>		
	466,816		<u>225,272</u>		<u>20,000</u>	<u>712,088</u>	<u>354,736</u>	
PAYABLE FROM RESTRICTED ASSETS:								
Current maturities of revenue bonds			7,800			7,800	6,645	
Accrued interest of revenue bonds			<u>8,911</u>			<u>8,911</u>	<u>9,118</u>	
			16,711			16,711	15,763	
LONG-TERM REVENUE BONDS COMPENSATED ABSENCES CAPITAL LEASES								
			278,488			278,488	286,562	
			8,865		23,659	32,524	25,552	
					<u>75,632</u>	<u>75,632</u>	<u>8,072</u>	
			<u>287,353</u>		<u>99,291</u>	<u>386,644</u>	<u>320,186</u>	
TOTAL LIABILITIES	466,816		529,336		119,291	1,115,443	690,685	

LIABILITIES, EQUITY AND OTHER CREDITS (CONTINUED)

	<u>GOVERNMENTAL FUND TYPES</u>		<u>PROPRIETARY FUND TYPES</u>		<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>	
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>GENERAL ASSETS</u>	<u>LONG-TERM DEBT</u>	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2000</u>	<u>(MEMORANDUM ONLY)</u>	
EQUITY AND OTHER CREDITS:								
Contributed capital		1,804,211	1,782,585		1,804,211	1,314,138		
Investment in General Fixed Assets		<u>1,804,211</u>	<u>1,782,585</u>		<u>1,782,585</u>	<u>1,530,280</u>		
						<u>2,844,418</u>		
RETAINED EARNINGS:								
Reserved for revenue bond retirement/contingencies		21,541			21,541	22,060		
Unreserved		<u>605,572</u>			<u>605,572</u>	<u>652,176</u>		
FUND BALANCES : UNRESERVED:								
Undesignated	<u>809,405</u>				<u>809,405</u>	<u>539,596</u>		
	<u>809,405</u>	<u>627,113</u>			<u>1,436,518</u>	<u>1,213,832</u>		
TOTAL EQUITY AND OTHER CREDITS	<u>809,405</u>	<u>2,431,324</u>	<u>1,782,585</u>		<u>5,023,314</u>	<u>4,058,250</u>		
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$1,276,221</u>	<u>\$2,960,660</u>	<u>\$1,782,585</u>		<u>\$6,138,757</u>	<u>\$4,748,935</u>		

See accompanying notes and independent auditors' report.

**CITY OF LIBERTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2000)**

	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2000</u>
REVENUES:		
Taxes	\$ 492,303	\$ 483,995
Permits and fees	453,614	426,046
Fines and forfeitures	95,057	91,860
Shared revenues	124,850	125,358
Miscellaneous	505,454	124,817
Charges for services	<u>72,047</u>	<u>76,605</u>
Total Revenues	1,743,325	1,328,681
EXPENDITURES:		
CURRENT:		
Administrative Department	214,630	222,222
Police Department	526,264	455,160
Fire Department	244,822	196,697
Public Works Department	196,629	215,374
CAPITAL EXPENDITURES	252,305	76,900
DEBT SERVICE:		
Principal	25,503	17,587
Interest	<u>5,406</u>	<u>2,845</u>
Total Expenditures	1,465,559	1,186,785
Excess of revenues over expenditures	277,766	141,896
OTHER FINANCING SOURCES:		
Notes Payable	<u>83,062</u>	_____
Excess of revenues and other financing sources over expenditures	360,828	141,896
FUND BALANCES, BEGINNING	539,596	397,700
PRIOR PERIOD ADJUSTMENT	<u>(91,019)</u>	_____
FUND BALANCES, ENDING	<u>\$ 809,405</u>	<u>\$ 539,596</u>

See accompanying notes and independent auditors' report.

CITY OF LIBERTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2000)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>	<u>ACTUAL 2000</u>
REVENUES:				
Taxes	\$ 492,303	\$ 454,400	\$ 37,903	\$ 483,995
Permit and fees	453,614	396,200	57,414	426,046
Fines and forfeitures	95,057	56,000	39,057	91,860
Shared revenues	124,850	131,000	(6,150)	125,358
Miscellaneous	505,454	89,000	416,454	124,817
Charges for services	<u>72,047</u>	<u>80,200</u>	<u>(8,153)</u>	<u>76,605</u>
Total Revenues	1,743,325	1,206,800	536,525	1,328,681
EXPENDITURES:				
 CURRENT:				
Administrative Department	214,630	194,836	(19,794)	222,222
Police Department	526,264	504,146	(22,118)	455,160
Fire Department	244,822	191,185	(53,637)	196,697
Public Works Department	196,629	241,393	44,764	215,374
Capital expenditures	252,305	27,500	(224,805)	76,900
 DEBT SERVICE:				
Principal	25,503	29,400	3,897	17,587
Interest	<u>5,406</u>	<u>5,000</u>	<u>(406)</u>	<u>2,845</u>
Total Expenditures	<u>1,465,559</u>	<u>1,193,460</u>	<u>(272,099)</u>	<u>1,186,785</u>
Excess of revenues over expenditures	<u>277,766</u>	<u>13,340</u>	<u>264,426</u>	<u>141,896</u>
OTHER FINANCING SOURCES:				
Notes Payable	<u>83,062</u>	<u> </u>	<u>83,062</u>	<u> </u>
Total Other Financing Sources	<u>83,062</u>	<u> </u>	<u>83,062</u>	<u> </u>
Excess of revenues and other financing sources over expenditures	360,828	13,340	347,488	141,896
FUND BALANCES, BEGINNING	539,596	539,596		397,700
PRIOR PERIOD ADJUSTMENT	<u>(91,019)</u>	<u> </u>	<u>(91,019)</u>	<u> </u>
FUND BALANCES, ENDING	<u>\$ 809,405</u>	<u>\$ 552,936</u>	<u>\$ 256,469</u>	<u>\$ 539,596</u>

See accompanying notes and independent auditors' report.

CITY OF LIBERTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS –
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Amounts for the Fiscal Year Ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:		
Water billings	\$ 684,644	\$ 538,990
Sewer billings	<u>491,533</u>	<u>519,694</u>
Total Operating Revenues	1,176,177	1,058,684
OPERATING EXPENSES:		
Water Department	761,408	578,036
Sewer Department	72,344	114,173
County facility fees	273,542	257,613
Depreciation	101,694	86,065
Amortization	<u>203</u>	<u>203</u>
Total Operating Expenses	<u>1,209,191</u>	<u>1,036,090</u>
Operating Income(Loss)	(33,014)	22,594
NON-OPERATING REVENUES (EXPENSES):		
Interest income	1,358	3,212
Interest expense	(15,467)	(20,147)
Loss on sale of fixed assets	<u> </u>	<u>(286,997)</u>
Total Non-Operating Revenues (Expenses)	<u>(14,109)</u>	<u>(303,932)</u>
Net Loss	(47,123)	(281,338)
RETAINED EARNINGS, BEGINNING	<u>674,236</u>	<u>955,574</u>
RETAINED EARNINGS, ENDING	<u>\$ 627,113</u>	<u>\$ 674,236</u>

See accompanying notes and independent auditors' report.

CITY OF LIBERTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Amounts for the Fiscal Year Ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$ (33,014)	\$ 22,594
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	101,897	86,268
Increase in receivables	(201,686)	(6,817)
Increase(decrease) in accounts payable	177,614	(237,372)
Increase in compensated absences	(80)	203
Increase(decrease) in deposits	262	605
Increase(decrease) in accrued liabilities	49	(17,896)
Increase in due to/from general fund	<u>30,876</u>	<u>37,153</u>
Total adjustments	<u>108,932</u>	<u>(137,856)</u>
Net cash provided by (used by) operating activities	<u>75,918</u>	<u>(115,262)</u>
 CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction in progress	(33,411)	
Acquisition and construction of capital assets	(503,507)	(197,540)
Principal paid on revenue bonds and notes payable	(14,535)	(616,616)
Interest paid on revenue bonds and notes payable	(15,467)	(20,147)
Capital contributed by grants	443,773	4,638
Capital contributed by tap fees	46,300	40,000
Sale of capital assets	<u> </u>	<u>742,015</u>
Net cash used for capital and related financing activities	(76,847)	(47,650)

CITY OF LIBERTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS – ENTERPRISE FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Amounts for the Fiscal Year Ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>1,358</u>	<u>3,212</u>
Net cash provided by investing activities	<u>1,358</u>	<u>3,212</u>
Net increase (decrease) in cash	429	(159,700)
BEGINNING CASH:		
Restricted	<u>37,823</u>	<u>197,523</u>
ENDING CASH:		
Restricted	<u>38,252</u>	<u>37,823</u>
TOTAL ENDING CASH:	<u>\$38,252</u>	<u>\$37,823</u>

See accompanying notes and independent auditors' report.

CITY OF LIBERTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Liberty, South Carolina (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity: The City operates under a Council form of government and provides the following services: public safety (police and fire), streets, sanitation, water and sewer, and general and administrative. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements for the City consist only of the funds and account groups of the City. The City has no oversight responsibility for any other governmental entity.

Fund Accounting: The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The City classifies its funds into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the City not accounted for in some other fund.

(NOTE 1 CONTINUED)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). An enterprise fund has been set up by the City for the operation of the water and wastewater treatment plants.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The City applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, in accounting and reporting for its proprietary operations.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Budgets and Budgetary Accounting: As set forth in the City Charter, the City Council adopts an annual budget for the general fund and enterprise fund. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by that fund. The budget for the enterprise fund is adopted under a basis consistent with generally accepted accounting principles, except that depreciation and amortization is not considered. Additionally, cash outlays for debt principal and fixed assets funded by operations are budgeted, but treated differently in accordance with generally accepted accounting principles. After joint workshops with the City Council, the Mayor submits to the City Council a proposed operating budget covering the general and enterprise funds for the fiscal year commencing the following July 1. These workshops and hearings are open to the public. The operating budget includes proposed expenditures and the means for financing them. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of an ordinance. Appropriations lapse at the end of each fiscal year.

The Mayor is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund or transfer amounts between departments must be approved by the City Council. The presented budgeted amounts are as originally adopted, or as last amended by the City Council.

(NOTE 1 CONTINUED)

The City does not budget for the combined special revenue funds, since budgetary control is maintained on an individual grant basis. Since grant periods may differ from the City's fiscal year, a comparison of budgetary information for the combined special revenue funds would not be meaningful and has not been presented in the accompanying financial statements.

Property Tax: Taxes are levied on October 1, and are due and payable on or before January 15 of the following year. All unpaid taxes become delinquent March 15 of the following year. The City has by contract authorized Pickens County to assess and collect all property taxes. These collections are remitted to the City by the County Treasurer.

Due From/To Other Funds: 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.

Restricted Assets: Certain resources are set aside for the repayment of enterprise fund revenue bonds, because their use is limited by applicable bond covenants. Such resources are included in cash on the balance sheet and consist of the following:

Reserved for Contingency	\$ 9,309
Reserved for Depreciation	9,136
Reserved for Revenue Bond Retirement	<u>19,807</u>
	<u>\$ 38,252</u>

The "sewer contingency" account is used to report resources set aside to meet unexpected contingencies. The "depreciation" account is used to report resources set aside to fund asset renewals and replacements. The "revenue bond retirement" account is used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments.

Fixed Assets: General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group.

The City has not historically maintained detailed fixed assets records to exercise accounting control over its property and equipment used in governmental fund type operations. As a result, all fixed assets acquired after October 1, 1971 are valued at historical costs, and all fixed assets acquired before September 30, 1971 are valued at the then estimated value. Donated fixed assets are not recorded. No depreciation has been provided on fixed assets used in governmental fund type operations.

Depreciation of fixed assets used in the enterprise fund is provided using the straight-line method over the following estimated useful lives:

Buildings	10-50 Years
Improvements	20-50 Years
Equipment	5-10 Years
Meters and Boxes	50 Years

(NOTE 1 CONTINUED)

Deferred Charges: Expenses incurred in the issuance of water and sewer system revenue bonds (\$8,125) have been deferred and are being amortized (\$203 in 2001) to the operations of the enterprise fund using the straight-line method over the length of the bond issue.

Compensated Absences: Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

Long-Term Obligations: Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity: Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Investment in general fixed assets represents funds invested in capital acquisition and construction. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Unreserved fund balances represent financial resources available for expenditure.

Comparative Data: Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements – Overview: Total columns on the combined statements – overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrances: Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

NOTE 2 – CASH

At June 30, 2001, the book balance of the City's cash deposits was \$979,116. Of the bank balance, \$161,541 was covered by federal depository insurance and \$19,807 was covered by collateral held at a third-party bank in the name of the City. Therefore, unsecured and non-collateralized cash was \$797,768 on June 30, 2001.

NOTE 3 – LOANS RECEIVABLE

Loans receivable of the general fund represents one installment contract from an individual pursuant to borrowing under the community development block grant program for rehabilitation purposes. The contract calls for the City to receive payments of \$ 101 per month, including interest at 3.00% per annum. The contract matures no later than 2007 and is secured by the property rehabilitated.

NOTE 4 – ENTERPRISE FUND FIXED ASSETS

The following is a summary of the fixed assets of the enterprise fund as of June 30, 2001:

Land	\$ 6,414
Buildings	16,807
Machinery and equipment	343,347
Water and sewer improvements other than buildings	<u>3,770,378</u>
	4,136,946
Accumulated depreciation	<u>(1,716,544)</u>
	<u>\$2,420,402</u>

NOTE 5 – GENERAL FIXED ASSETS ACCOUNT GROUP

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land, buildings and improvements	\$ 814,969	\$ 86,438	\$	\$ 901,407
Machinery and equipment	659,144	159,513		818,657
Office furniture and equipment	<u>56,167</u>	<u>6,354</u>		<u>62,521</u>
Total General Fixed Assets	<u>\$1,530,280</u>	<u>\$ 252,305</u>	<u>\$</u>	<u>\$1,782,585</u>

NOTE 6 – LONG-TERM DEBT

The note payable of the general fund accounted for in the general long-term debt group of accounts consists of the following:

Note payable to a bank for capital improvements of \$20,000 due in annual installments of \$10,000, plus interest at 5.12% per annum, and maturity in September 2002.	<u>\$ 20,000</u>
	<u>\$ 20,000</u>

The following represents maturity of the note payable as of June 30, 2001:

June 30, 2002	\$ 10,000
June 30, 2003	10,000
	<u>\$ 20,000</u>

(NOTE 6 CONTINUED)

Bonds payable and the note payable of the enterprise fund consist of the following:

Water System Improvement Revenue Bonds, series 1983,
due in annual installments of \$21,305, including interest
at 5.00% per annum, and maturity in November 2023. \$ 286,288

Note payable to a bank for a sewer jetting machine of
\$25,686, due in monthly installments of \$742 including
interest of 4.22% per annum, and maturity in July 2004. 25,686
\$ 311,974

The following represents maturity of the reserve bonds and the note payable as of June 30, 2001:

June 30, 2002	\$ 14,962
June 30, 2003	15,654
June 30, 2004	16,379
June 30, 2005	8,822
June 30, 2006	8,497
June 30, 2007	<u>247,660</u>
	<u>\$ 311,974</u>

Annual debt service requirements to amortize all debt including interest outstanding of \$203,678 are as follows:

Year Ending <u>June 30</u>	Notes <u>Payable</u>	System <u>1983 Bonds</u>	<u>Total</u>
2002	\$ 19,926	\$ 21,305	\$ 41,231
2003	19,414	21,305	40,719
2004	8,902	21,305	30,207
2005	732	21,305	22,037
2006		21,305	21,305
Thereafter		<u>380,153</u>	<u>380,153</u>
	<u>\$ 48,974</u>	<u>\$ 486,678</u>	<u>\$ 535,652</u>

During the year ended June 30, 2001, the following changes occurred in long-term debt:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2001</u>
Enterprise Fund:				
Revenue bonds	\$ 293,207	\$	\$ (6,919)	\$ 286,288
Note Payable	<u>33,302</u>	<u> </u>	<u>(7,616)</u>	<u>25,686</u>
	<u>\$ 326,509</u>	<u>\$</u>	<u>\$(14,535)</u>	<u>\$ 311,974</u>
 General Long-Term Debt Account Group:				
Note payable	<u>\$ 30,000</u>	<u>\$</u>	<u>\$(10,000)</u>	<u>\$ 20,000</u>

NOTE 7 – CAPITAL LEASE OBLIGATION

The City has entered into a lease agreement as lessee to finance the acquisition of a garbage truck. This lease qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is a summary of equipment leased under capital lease agreements by the City as of June 30, 2001:

	<u>General Fixed Asset</u>	<u>Total</u>
Garbage Truck	<u>\$ 83,062</u>	<u>\$ 83,062</u>
Total	<u>\$ 83,062</u>	<u>\$ 83,062</u>

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of June 30, 2001:

<u>Year Ending June 30</u>	<u>General Long-Term Debt</u>
2002	\$ 14,374
2003	14,374
2004	14,374
2005	14,374
2006	14,374
Thereafter	<u>17,716</u>
Total minimum lease payments	\$ 89,586
Less: amount representing interest	<u>(13,954)</u>
Present value of future minimum lease payments	<u>\$ 75,632</u>

During the year ended June 30, 2001 the following changes occurred in capital leases:

	<u>Police Vehicle</u>	<u>Garbage Truck</u>	<u>Total</u>
Balance July 1, 2000	\$ 8,072	\$	\$ 8,072
Additions		83,062	83,062
Payments	<u>(8,072)</u>	<u>(7,430)</u>	<u>(15,502)</u>
Balance June 30, 2001	<u>\$ -0-</u>	<u>\$ 75,632</u>	<u>\$ 75,632</u>

NOTE 8 – RETIREMENT PLANS

The City participates in statewide multiple employer public employee retirement systems. Both are cost sharing public employee retirement systems with one exception: All risks and costs are not shared by the City, but are the liability of the State of South Carolina. The two retirement systems are funded through city and employee contributions, and the city has no legal obligation for paying benefits. The South Carolina System covers substantially all of the City's general employees, and the South Carolina Police Officers Retirement System covers all of the City's public safety employees. These plans are administered by the Retirement Division of the State Budget and Control Board.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, PO Box 11960, Columbia, S. C. 29211-1960.

Both employees and employers are required to contribute to the Plans under the authority of Title 9 of the SC Code of Laws.

Employee-required contributions to the Plans are as follows:

- South Carolina Retirement System – 6% of salary
- South Carolina Police Officers Retirement System – 6.5% of salary

The City's contribution on behalf of employees is at the following actuarially-determined rates:

- South Carolina Retirement System – 6.7% of salary
- South Carolina Police Officers Retirement System – 10.3% of salary

All employees contribute at the actuarially required contribution rates.

The total required contributions for both plans and the percentage of that amount contributed for the current year and each of the two preceding years are as follows:

	<u>Amount</u>	<u>Percentage Contribution</u>
Year ended June 30, 2001		
Employer	\$67,275	100%
Employee	\$45,526	100%
Year ended June 30, 2000		
Employer	\$62,605	100%
Employee	\$42,427	100%

(NOTE 8 CONTINUED)

Year ended June 30, 1999

Employer	\$50,167	100%
Employee	\$42,427	100%

NOTE 10 – ACCRUED LEGAL LIABILITIES

In the prior fiscal year the City of Liberty was sued by a local developer. The local developer had alleged that the City of Liberty agreed to reimburse the developer for certain taxes, certain paving and certain sewer line expense that he had incurred prior to June 30, 1999. This lawsuit was settled in the fiscal year 2001. The City agreed to pay the developer \$23,500 in the current fiscal year and to pay the developer 70% of the property taxes generated by the housing development over a ten year period. The total settlement is limited to \$269,111. Since the amount of property taxes generated is dependent on housing starts, currently there isn't any means to determine the total taxes that will be generated by the development. Since the expense will be paid yearly and the total settlement(dependent on housing starts) cannot be currently determined, the expense will be recognized as paid.

According to the City Attorney there were five potential other legal litigation suits pending trial at year-end. As regards to these cases the City has recognized potential liability expense of \$50,000 as of June 30, 2001.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

In 1993 the City of Liberty sued the Fort Hill Natural Gas Authority for nonpayment of franchise fees for prior years. The City of Liberty prevailed in the case and was awarded the franchise fees. The fees were to be paid over 15 years. In a subsequent year the City recognized the fees as income. A prior period adjustment was made to the June 30, 2001 financial statements to recognize the accounts receivable balance at July 1, 2000 as deferred income (a liability). Under the modified accrual basis of accounting the deferred income will be recognized as income when collected.

In past years police fines have been recognized when owed. As a result an accounts receivable and allowance for doubtful accounts had been recorded. A prior period adjustment was made to the June 30, 2001 financial statements to remove the police fines accounts receivable and the allowance for doubtful accounts as of July 1, 2000. Due to the uncertainty of the collections and on the timing of the collection of the police fines, the police fines are currently being recognized as collected. This will result in a more appropriate recognition of income and will be more consistent with the modified accrual basis of accounting.

The amount of the total prior period adjustment for both adjustments is as follows:

Fort Hill Natural Gas Deferred Revenue	\$76,993
Police Fines	<u>14,026</u>
	<u>\$91,019</u>

NOTE 12 – LAND SALE

For the year ended June 30, 2001, the City of Liberty recognized the revenue on the sale of land to Ingles Markets, Inc. of \$304,290. The gross sales price was \$450,000 and there were sales commissions paid of \$22,500.

Currently there is \$123,200 of the sales price being held in escrow to fund the City's portion of the cost of a roadway to the property. The \$123,200 is currently being recognized as deferred revenue on the City's combined balance sheet.

NOTE 13 – COMMUNITY DEVELOPMENT BLOCK GRANTS

The City of Liberty was awarded a \$500,000 Community Development Block Grant for the Liberty Little Mill Village Water/Sewer Project. The purpose of the grant is to replace and upgrade the public sewer and water system in the Little Mill Village area of the City of Liberty. The project will include sewer/water system renovations in the area of Calhoun, Jackson, Clay, Tillman, Clemson, Trammell and Peachtree Streets in the City of Liberty. The grant is ongoing with cumulative grant expenditures of \$335,833 as of June 30, 2001.

The City of Liberty was awarded a \$700,000 Community Development Block Grant for the Liberty Big Mill Village Sewer Project. The purpose of the grant is to replace and upgrade the public sewer system in the Big Mill Village area of the City of Liberty. The project will include sewer system renovations in the area of Hedgepath, Alexander, East and West Beattie, Byrnes, Woodhaven, West Woodside, Iselin and Anderson Streets in the City of Liberty. The grant is in the engineering stage at June 30, 2001. There weren't any grant expenditures in the year ending June 30, 2001.

NOTE 14 – CONTRIBUTED CAPITAL

Recorded as contributions to the Water and Sewer Utility System are those funds used by the System for operations and capital outlays which have not been generated by system operations.

The contributions to the Utility System are as follows:

Contributions prior to July 1, 2000	\$1,314,138
Contributions for year ended June 30, 2001:	
Community Development Block Grant	331,196
Connection Tap Fees	46,300
State of South Carolina Capital Grant	<u>112,577</u>
	<u>\$1,804,211</u>

**CITY OF LIBERTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
TAXES:			
Current Property	\$ 223,768	\$ 210,000	\$ 13,768
Manufacturer's	8,654		8,654
Local option sales tax	203,146	214,000	(10,854)
Merchant inventory	6,648	6,700	(52)
Accommodations	995	1,200	(205)
Homestead	<u>49,092</u>	<u>22,500</u>	<u>26,592</u>
	492,303	454,400	37,903
PERMITS AND FEES:			
Business license	229,758	206,000	23,758
Franchise fees	223,641	190,000	33,641
Rezoning fees	50	100	(50)
Portable sign fees	<u>165</u>	<u>100</u>	<u>65</u>
	453,614	396,200	57,414
FINES AND FORFEITURES:			
Police fines	<u>95,057</u>	<u>56,000</u>	<u>39,057</u>
	95,057	56,000	39,057
SHARED REVENUES:			
Fire district contract	36,000	36,000	
Local government	<u>88,850</u>	<u>95,000</u>	<u>(6,150)</u>
	124,850	131,000	(6,150)
MISCELLANEOUS:			
Police miscellaneous revenue	12,018		12,018
Admin miscellaneous revenue	373		373
Interest	36,476	14,000	22,476
Recyclables	1,103		1,103
Resources Officer	35,500	35,000	500
Fire Department miscellaneous	68,744	40,000	28,744
Police Grant	46,950		46,950
Sale of Land	<u>304,290</u>		<u>304,290</u>
	505,454	89,000	416,454

CITY OF LIBERTY, SOUTH CAROLINA
 GENERAL FUND
 STATEMENT OF REVENUES – BUDGET AND ACTUAL (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE <u>UNFAVORABLE</u>
CHARGES FOR SERVICES:			
Sanitation user fees	54,097	56,000	(1,903)
Garbage collections		1,200	(1,200)
Juvenile facility	<u>17,950</u>	<u>23,000</u>	<u>(5,050)</u>
	<u>72,047</u>	<u>80,200</u>	<u>(8,153)</u>
TOTALS	<u>\$1,743,325</u>	<u>\$1,206,800</u>	<u>\$536,525</u>

See accompanying notes and independent auditors' report.

**CITY OF LIBERTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
ADMINISTRATION:			
Salaries and wages – regular	\$ 33,271	\$ 32,595	\$ (676)
Salaries and wages – Council	9,600	10,800	1,200
Admin health/life insurance	3,205	1,900	(1,305)
Payroll taxes	3,146	3,320	174
Pension	4,277	2,907	(1,370)
Workers compensation/liability insurance	31,452	33,214	1,762
Legal and accounting	24,260	15,000	(9,260)
Maintenance and service contracts	1,469	2,000	531
Maintenance and repairs	1,934	500	(1,434)
Telephone	4,069	3,000	(1,069)
Postage	807	600	(207)
Department supplies/printing	3,805	3,700	(105)
Seminars, conventions and meetings	9,040	7,000	(2,040)
Utilities	14,322	11,000	(3,322)
Dues and subscriptions	3,177	2,500	(677)
Janitorial supplies	92	300	208
Office furniture/equipment (noncapital)	1,298	4,000	2,702
Bad Debt Expense	4,357		(4,357)
Donation to Recreation Department	35,038	35,000	(38)
Christmas	4,099	3,500	(599)
Contributions	1,804	1,500	(304)
Debt service	11,540	12,800	1,260
Capital outlay	84,700		(84,700)
Legal liabilities expense	3,500		(3,500)
Legion Hut expense	1,015	700	(315)
Landscape maintenance	2,359	3,000	641
Railroad lease	800	800	
Miscellaneous Projects	4,944		(4,944)
Seniors Unlimited	1,000	1,000	
Grant expense		15,000	15,000
Consulting fees	5,750		(5,750)
Contract Labor	740		(740)
	<u>310,870</u>	<u>207,636</u>	<u>(103,234)</u>

**CITY OF LIBERTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
POLICE DEPARTMENT:			
Salaries and wages - regular	317,166	316,820	(346)
Salaries and wages- overtime	3,460	5,400	1,940
Group health insurance	25,444	34,600	9,156
Payroll taxes	24,051	24,237	186
Pension	33,596	33,189	(407)
Uniforms and accessories	5,781	5,000	(781)
Legal and accounting	1,326	1,000	(326)
Judge/Jury	7,746	8,700	954
Maintenance and service contracts	639	1,200	561
Maintenance and repairs to equipment	2,777	3,000	223
Computer expenses	3,613	5,000	1,387
Maintenance and repairs to buildings	88	2,000	1,912
Vehicle expense	27,086	18,000	(9,086)
Telephone	4,970	4,000	(970)
Department supplies	9,842	6,600	(3,242)
Seminars, conventions and meetings	1,289	2,000	711
Dues and subscriptions	570	900	330
Medical	975	500	(475)
Juvenile Center expenses	2,559	4,000	1,441
Shared fines – state	36,880	20,000	(16,880)
Janitorial	320	400	80
Film and processing	1,081	1,000	(81)
Victims' rights	1,052		(1,052)
Machinery/equipment (non capital)	3,487	2,000	(1,487)
Education expenses	820	2,000	1,180
OSHA immunizations	161	400	239
Debt service	8,589	10,000	1,411
Capital outlay	72,966	6,000	(66,966)
Memorials	173	200	27
Prisoner expense	3,520	2,000	(1,520)
Hiring expense	2,233		(2,233)
Dare camp expense	814		(814)
Taps expense	<u>2,745</u>		<u>(2,745)</u>
	607,819	<u>520,146</u>	<u>(87,673)</u>

CITY OF LIBERTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
FIRE DEPARTMENT:			
Salaries and wages – regular	127,652	103,066	(24,586)
Salaries and wages – overtime	6,472	4,000	(2,472)
Salaries and wages – supplemental	5,225	2,000	(3,225)
Group health insurance	10,197	10,500	303
Payroll taxes	10,236	7,885	(2,351)
Pension	14,730	11,234	(3,496)
Uniforms	2,879	2,200	(679)
Maintenance and repairs	3,015	3,000	(15)
Vehicle expense	9,427	5,000	(4,427)
Telephone	4,489	3,500	(989)
Department supplies	5,372	2,000	(3,372)
Seminars, conventions and meetings	2,777	2,000	(777)
Utilities	1,987	1,800	(187)
Dues and subscriptions	596	500	(96)
Fire calls reimbursement	13,813	18,000	4,187
Discretionary funds	2,931	6,000	3,069
Medical	1,932	5,000	3,068
1% expenses	15,112		(15,112)
Capital outlay	11,577	8,500	(3,077)
Office supplies	1,398	2,500	1,102
Fire prevention	1,383	1,000	(383)
Fund raising expense	<u>3,199</u>		<u>(3,199)</u>
	<u>256,399</u>	<u>199,685</u>	<u>(56,714)</u>

**CITY OF LIBERTY, SOUTH CAROLINA
GENERAL FUND
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
PUBLIC WORKS:			
Salaries and wages – regular	90,493	108,470	17,977
Salaries and wages – overtime	469	6,000	5,531
Salaries and wages – supplemental	102	10,000	9,898
Group health insurance	8,025	11,400	3,375
Payroll taxes	6,427	9,522	3,095
Pension	4,674	7,669	2,995
Uniforms	2,226	2,200	(26)
Recycling expense	10,842	12,000	1,158
Animal control	4,780		(4,780)
Maintenance and repairs	4,969	7,000	2,031
Vehicle expense	12,304	15,000	2,696
Insurance, bonds and licenses	75	500	425
Telephone	217	400	183
Department supplies	9,090	8,300	(790)
Utilities	40,251	38,000	(2,251)
Medical		500	500
Asphalt, etc.	1,455	3,000	1,545
Small hand tools	203	1,000	797
Miscellaneous	27	332	305
Donations		100	100
Capital outlay	83,062	13,000	(70,062)
Debt service	10,780	11,600	820
	<u>290,471</u>	<u>265,993</u>	<u>(24,478)</u>
TOTAL	<u>\$1,465,559</u>	<u>\$1,193,460</u>	<u>\$(272,099)</u>

See accompanying notes and independent auditors' report.

**CITY OF LIBERTY, SOUTH CAROLINA
SCHEDULE OF GENERAL FIXED ASSETS**

JUNE 30, 2001

GENERAL FIXED ASSETS:

Land, buildings, and improvements	\$ 901,407
Machinery and equipment	818,657
Office equipment	<u>62,521</u>

Total General Fixed Assets	<u>\$1,782,585</u>
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INVESTMENT IN GENERAL FIXED ASSETS	<u>\$1,782,585</u>
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See accompanying notes and independent auditors' report.

CITY OF LIBERTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
JUNE 30, 2001

	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
LAND, BUILDINGS AND IMPROVEMENTS:			
Improvements – prior to 1971	\$ 204,728	\$	\$ 204,728
Church property for City Hall	36,509		36,509
Pipe and repairs	1,281		1,281
Air conditioner	870		870
Gas heater	310		310
Parks and recreation	67,634		67,634
Gymnasium renovation	28,484		28,484
Police Station	33,142		33,142
Fire Station	90,227		90,227
Carpet	486		486
Storage building	50,725		50,725
2 Williams gas furnaces	3,640		3,640
Heat and air conditioner improvements	20,270		20,270
Refinish gym floor	2,900		2,900
Real estate (brown house)	7,455		7,455
City parking lot improvements	87,975		87,975
City park	50,080		50,080
“Welcome to Liberty” (Sign 1)	750		750
“Welcome to Liberty” (Sign 2)	720		720
Fencing-ball park	12,541		12,541
City Hall renovations	64,093		64,093
Garage repairs – Fire Department	1,835		1,835
Fence	1,246		1,246
Sidewalk repairs	17,700		17,700
52’ Granger	6,000		6,000
Fire Department renovations	3,049		3,049
Baseball Field grading	6,000		6,000
Recreation Building	14,319		14,319
Garage door		1,738	1,738
Rosewood land		5,000	5,000
Rosewood building		78,000	78,000
Air conditioning condensing unit		<u>1,700</u>	<u>1,700</u>
	<u>814,969</u>	<u>86,438</u>	<u>901,407</u>
MACHINERY AND EQUIPMENT:			
1970 Fire truck	18,560		18,560
1989 Ford truck	18,400		18,400
1990 Chevrolet	13,861		13,861
1992 Fire truck	75,760		75,760
1993 Garbage truck	54,845		54,845
1995 Police car	21,852		21,852
1994 Police car	14,419		14,419
1992 Police car	6,300		6,300

CITY OF LIBERTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS (CONTINUED)
 JUNE 30, 2001

	<u>BALANCE</u> <u>JULY 1, 2,000</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
MACHINERY & EQUIPMENT (CONTINUED):			
1992 Fire Department Car	6,567		6,567
Truck	13,685		13,685
1996 Police car	23,444		23,444
Chipper	25,350		25,350
1996 Flatbed truck	28,650		28,650
International tractor	6,069		6,069
Tractor	2,200		2,200
1997 Police car	16,237		16,237
Boom mower	33,000		33,000
Backhoe and trailer	12,189		12,189
Siren	1,562		1,562
Fire House	1,971		1,971
Equipment	14,706		14,706
Sewer line cleaner	1,340		1,340
Trailer	558		558
Chain saw	1,164		1,164
Vibrating roller	3,416		3,416
Brush clipper	6,682		6,682
Sweepster	2,415		2,415
Air compressor	547		547
Air conditioner	150		150
Whacker packer	600		600
18" bucket	656		656
Edger	152		152
Gardening equipment	918		918
Snow plows	2,877		2,877
Mowers	4,711		4,711
Portable smoke detector	222		222
Communications equipment	63,860		63,860
Tanks and air packs	5,816		5,816
Fire equipment	17,216		17,216
Pistols	3,089		3,089
Skid unit	5,718		5,718
Detroit diesel	4,438		4,438
Speed reader (mobile)	6,572		6,572
Radio set Fire Department	3,004		3,004
Blazer Public Works	4,500		4,500
2 Computers	7,467		7,467
Radio system	11,694		11,694
Fire Department stove	582		582
Fire Department refrigerator	933		933
1999 Crown Victoria	24,248		24,248
1993 Crown Victoria (2)	6,891		6,891
Police surveillance systems	3,500		3,500

CITY OF LIBERTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS (CONTINUED)
 JUNE 30, 2001

	<u>BALANCE</u> <u>JULY 1, 2,000</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
MACHINERY AND EQUIPMENT (CONTINUED):			
Generator	1,485		1,485
Police radios	4,769		4,769
Air conditioning units	1,117		1,117
Scott air paks	7,830		7,830
Fire Department furniture	689		689
Computer	967		967
2000 Crown Victoria	21,710		21,710
Uniforms (5)	4,218		4,218
Fire Department radio	796		796
John Deere F-725	5,763		5,763
Shredder/hopper	4,237		4,237
Rear loader garbage truck		83,062	83,062
2000 Crown Victoria		22,130	22,130
3 Utility trucks		1,039	1,039
Ice machine		1,864	1,864
External defibulator		4,500	4,500
2001 Chevrolet pickup truck		16,033	16,033
4 Handguns		2,576	2,576
3 Radar guns		1,999	1,999
Rescue truck equipment		2,345	2,345
Dog kennel		1,385	1,385
2000 Crown Victoria		22,580	22,580
	<u>659,144</u>	<u>159,513</u>	<u>818,657</u>